

Market Feasibility Analysis

Pepperton Villas
127 Harper Street
Jackson, Butts County, Georgia 30233

Prepared For

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SECTION A – EXECUTIVE SUMMARY

This report evaluates the market feasibility of the existing Pepperton Villas to be renovated utilizing financing from the Low-Income Housing Tax Credit (LIHTC) program in Jackson, Georgia. Based on the findings contained in this report, we believe a market will continue to exist for the subject project following renovations, as long as the subject project is renovated and operated as proposed in this report.

1. Project Description:

The Pepperton Villas rental community was originally built in 1994 and has operated under the Rural Development 515 (RD 515) and Low-Income Housing Tax Credit (LIHTC) programs since that time. Currently, the project contains 28 one-bedroom units targeting senior households ages 62 and older. All 28 units receive Rental Assistance (RA) directly from Rural Development. The RA allows tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). According to management, the subject project is currently 100.0% occupied and maintains a eight-household wait list.

The proposed Tax Credit renovations, which will be financed through a Tax Exempt Bond, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the 28 units of RA will be preserved and all units will continue to target senior households up to 60% of Area Median Household Income (AMHI) under Tax Credit guidelines. It should be noted that one (1) two-bedroom manager unit will become a revenue-producing unit post LIHTC renovations. All renovations are expected to be completed in 2014. A Private Rental Assistance (PRA) subsidy, which will be financed by the developer, will be available to all existing residents (PRA subsidy not to extend beyond existing residents). The PRA subsidy will prevent a rent increase on current residents, allowing existing residents to pay current rents.

2. Site Description/Evaluation:

The subject site is located within a rural area of Jackson. The surrounding land uses predominantly consist of undeveloped, wooded land and residential dwellings that are considered to be in satisfactory condition and well maintained. The surrounding land uses are consistent with those observed throughout the market area and the subject site fits well with its surrounding land uses. The subject site is located within proximity of numerous community services including grocery stores, pharmacies, banks, gas stations and discount retailers, many of which are located within 1.5 miles of the subject site. The subject site is generally unimpeded by surrounding land uses and provides convenient accessibility to arterial roadways and community services. Given the subject site's clear visibility and convenient accessibility, both visibility and access of the subject site are considered good and is anticipated to contribute to the continued overall marketability of the site.

3. Market Area Definition:

The Jackson Site PMA includes all of Butts County, therefore, the boundaries of the Jackson Site PMA consist of the Butts County line to the north, south, east and west. A justification of these boundaries and a detailed map are included in Section D of this report.

4. Community Demographic Data:

Overall, population and households have experienced positive growth since 2000. These trends are projected to be relatively stable through 2015, increasing by 5 (less than 0.1%) and 12 (0.1%), respectively, from 2013. Further, renter households ages 62 and older are projected to increase by 16 (2.8%) during the same time period. In addition, the subject project will continue to target one- to two-person households which comprise the majority of the senior renter households within the Site PMA. As such, the project will continue to accommodate the majority of the Site PMA's senior renter households based on size. The preceding factors will have a positive impact on the continued marketability of the subject site. Detailed demographic information is included in Section E of this report.

5. Economic Data:

According to a representative with the Development Authority of Butts County, the local economy has been experiencing growth since the nationwide recession. However, this recovery has been relatively slow, as the employment base did not begin to experience growth and the unemployment rate did not begin to decline within the county until 2011, where most of the country began to experience economic improvements starting in 2010. On a positive note, according to the Butts County Industrial Development Authority website, it is anticipated that 190 new jobs will be brought into the county, with investments totaling more than \$15 million. It is also important to note that there have been no additional WARN notices of large scale layoffs and closures for the county since January 2012.

Considering that the unemployment rate is high at 10.4% through July 2013, the need for affordable housing is anticipated to remain strong. A high rate of unemployment contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford their current housing costs. The subject site will provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

6. Project-Specific Affordability and Demand Analysis:

Pepperton Villas has project-based Rental Assistance (RA) available to 28 of the 29 total units. As such, tenants with little to no income are eligible to reside at this project. Following LIHTC renovations, the 28 units of RA are expected to remain in-place. Based on our demand estimates detailed in Section G of this report, there will be 230 income-qualified senior households to support the 29 renovated units. As such, the capture rate would be 12.6% ($29 / 230 = 12.6\%$) if all units were vacated. However, the project is 100.0% occupied and all current tenants are anticipated to remain following LIHTC renovations. Therefore, the renovated subject project will have an effective capture rate of 0.4%. A detailed capture rate analysis and alternative demand scenarios are provided in Section G of this report.

7. Comparable/Competitive Rental Analysis

Based on our research, there were no comparable Tax Credit properties identified and surveyed within the Site PMA. As such, we identified and surveyed three LIHTC properties located outside of the Site PMA, but within the nearby region, that we also consider comparable. All three comparable properties and the subject property are illustrated in the following table:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Pepperton Villas	1994 / 2014	29	100.0%	-	8 H.H.	Seniors 62+; 60% AMHI & RD 515
907	Villas on Forsyth	2009	33*	100.0%	23.2 Miles	15 H.H.	Seniors 55+; 50% & 60% AMHI
908	Grier Manor	2005	51*	100.0%	17.4 Miles	73 H.H.	Seniors 55+; 30%, 50% & 54%
913	Heritage at McDonough	2011	105	100.0%	18.1 Miles	None	Seniors 55+; 50% & 60% AMHI

OCC. - Occupancy

H.H. - Households

*Tax Credit units only

900 Map IDs are located outside of Site PMA

The three LIHTC projects have a combined occupancy rate of 100.0%, indicating pent-up demand exists for affordable housing in the region. It should be noted that there are no non-subsidized, age-restricted LIHTC projects within the market. As such, the subject project will continue to provide a rental housing alternative to low-income seniors which is currently underserved in the market.

The gross rents for the comparable projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom type are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)		Rent Special
		One-Br.	Two-Br.	
Site	Pepperton Villas	\$581/60% (28)	\$681/60% (1)	-
907	Villas on Forsyth	\$580/50% (6/0) \$670/60% (8/0)	\$689/50% (8/0) \$761/60% (11/0)	None
908	Grier Manor	\$445/30% (4/0) \$723/50% (16/0) \$778/54% (6/0)	\$536/30% (3/0) \$869/50% (16/0) \$936/54% (6/0)	None
913	Heritage at McDonough	\$656/50% (8/0) \$786/60% (43/0)	\$793/50% (8/0) \$949/60% (46/0)	None

900 Map IDs are located outside of the Site PMA

As proposed, the majority of the subject rents reported in the preceding table will not be the actual rents tenants will be responsible for paying. The subject development will maintain Rental Assistance on 28 of its 29 total units, which will effectively allow tenants to limit their gross rent to 30% of their adjusted gross household income.

Overall, the proposed project is older than the selected properties, but substantial renovations will effectively update its aesthetic appeal. Our comparative analysis in Section H reveals the unit designs (square footage and bathrooms) of the subject units are appropriate considering the 100.0% occupancy at the subject site. The proposed amenities package is considered generally similar to the comparable LIHTC projects. The subject project offers amenities that are designed for the senior population and will not lack any amenities that will have an adverse impact on its continued marketability. This is further evidenced by the subject's 100.0% occupancy and wait list. It should be noted that the subject project will be the only age-restricted LIHTC project in the market. As such, the subject project will continue to provide a rental housing alternative to low-income seniors which is currently underserved in the market. This will provide the subject with a market advantage.

8. Absorption/Stabilization Estimates

According to management, the subject project is currently 100.0% occupied and maintains a collective wait list of up to eight households for the next available unit. All current residents are expected to qualify for the subject units following renovations; therefore, few if any of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that all 29 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on 28 units). We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy.

It is our opinion that the 29 units at the subject site will reach a stabilized occupancy of 93.0% within approximately five months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately five units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that RA on the 28 one-bedroom units will be maintained.

9. Overall Conclusion:

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the 29 units at the subject site, assuming it is renovated and operated as detailed in this report. Changes in the project's scope of renovations, rents, amenities or renovation completion date may alter these findings.

Based on the preceding analysis and information provided throughout this report, we have no recommendations or suggested modifications for the subject project at this time.

SUMMARY TABLE**(must be completed by the analyst and included in the executive summary)**

Development Name:	Pepperton Villas	Total # Units:	29
Location:	127 Harper Street, Jackson, GA 30233	# LIHTC Units:	29
PMA Boundary:	Butts County line to the north, south, east and west.		
			Farthest Boundary Distance to Subject: 14.5 miles

RENTAL HOUSING STOCK (found on page H-2)

Type	# Properties	Total Units	Vacant Units	Average Occupancy
All Rental Housing	6	241	19	92.1%
Market-Rate Housing	1	42	4	90.8%
Assisted/Subsidized Housing not to include LIHTC	5	199	15	92.5%
LIHTC	-	-	-	-
Stabilized Comps (in PMA only)	-	-	-	-
Properties in Construction & Lease Up	-	-	-	-

Subject Development					Achievable Market Rents			Highest Unadjusted Comp Rent	
# Units	# Bedrooms	# Baths	Size (SF)	Proposed Tenant Rent	Per Unit	Per SF	Advantage	Per Unit	Per SF
28	One	1.0	650	\$515	\$515	\$0.79	0.0%	\$650	\$0.94
1	Two	1.0	825	\$605	\$605	\$0.73	0.0%	\$800	\$0.68

DEMOGRAPHIC DATA (found in Section E & G)

	2010		2013		2015	
Senior Renter Households (62+)	455	19.6%	568	23.5%	584	23.3%
Income-Qualified Senior Renter HHs (LIHTC)*	N/A	N/A	352	14.6%	354	14.1%
Income-Qualified Renter HHs (MR)	N/A	N/A	N/A	N/A	N/A	N/A

*As proposed with the retention of RA on 28 of the 29 total units

TARGETED INCOME-QUALIFIED RENTER HOUSEHOLD DEMAND (found on page G-5)

Type of Demand	RA Units	Non-RA Units	Overall as Proposed	Market-rate	Other__	LIHTC Only Scenario
Renter Household Growth	2	3	2	-	-	2
Existing Households (Overburd + Substand)	224	33	224	-	-	72
Homeowner conversion (Seniors)	4	0	4	-	-	1
Total Primary Market Demand	230	36	230	-	-	75
Less Comparable/Competitive Supply	0	0	0	-	-	0
Net Income-Qualified Renter HHs	230	36	230	-	-	75

CAPTURE RATES (found on page G-5)

Targeted Population	RA Units	Non-RA Units	Overall as Proposed	Market-rate	Other__	LIHTC Only Scenario
Capture Rate	0.0%*	2.8%	0.4%*	-	-	38.7%

*All occupied subsidized units at the project have been deducted from this demand analysis

SECTION B - PROJECT DESCRIPTION

The Pepperton Villas rental community was originally built in 1994 and has operated under the Rural Development 515 (RD 515) and Low-Income Housing Tax Credit (LIHTC) programs since that time. Currently, the project contains 28 one-bedroom units targeting senior households ages 62 and older. All 28 units receive Rental Assistance (RA) directly from Rural Development. The RA allows tenants to pay up to 30% of their adjusted gross incomes towards housing costs (collected rent and tenant-paid utilities). According to management, the subject project is currently 100.0% occupied and maintains a eight-household wait list.

The proposed Tax Credit renovations, which will be financed through a Tax Exempt Bond, will involve the extensive rehabilitation of each unit and the community spaces. Once renovations are complete, the 28 units of RA will be preserved and all units will continue to target senior households up to 60% of Area Median Household Income (AMHI) under Tax Credit guidelines. It should be noted that one (1) two-bedroom manager unit will become a revenue-producing unit post LIHTC renovations. All renovations are expected to be completed in 2014. A Private Rental Assistance (PRA) subsidy, which will be financed by the developer, will be available to all existing residents (PRA subsidy not to extend beyond existing residents). The PRA subsidy will prevent a rent increase on current residents, allowing existing residents to pay current rents. Additional project details follow:

- 1. PROJECT NAME:** Pepperton Villas
- 2. PROPERTY LOCATION:** 127 Harper Street
Jackson, Georgia 30233
(Butts County)
- 3. PROJECT TYPE:** Current: Tax Credit & RD 515
Proposed: Tax Credit & RD 515
- 4. UNIT CONFIGURATION AND RENTS:**

Total Units	Bedroom Type	Baths	Style	Square Feet	Current Rents*	2013 LIHTC Rents				2013 Rent Limits		Market Rents (CRCU)	Proposed Achievable Net Rents
						AMHI	Gross	U.A.	Net	Max. Allow.	Fair Market		
28	One	1.0	Garden	650	\$425	60%	\$581	\$66	\$515	\$711	\$548	\$515	\$515
1	Two	1.0	Garden	825	-	60%	\$681	\$76	\$605	\$853	\$742	\$605	\$605
28	Total												

Source: Boyd Management

AMHI – Area Median Household Income (Butts County, GA HUD Metro FMR Area; 2013)

*Denotes current basic rents under RD 515 program

U.A. – Utility Allowance

Max. Allow. – Maximum Allowable

CRCU – Conventional Rents for Comparable Units

- 5. TARGET MARKET:** Low-Income Seniors (62+)

- 6. PROJECT DESIGN:** One-story residential buildings with one- and two-bedroom garden units.
- 7. ORIGINAL YEAR BUILT:** 1994
- 8. ANTICIPATED RENOVATION COMPLETION DATE:** 2014

9. UNIT AMENITIES:

Each unit, once renovated, will include the following amenities:

- Electric Range
- Refrigerator
- Dishwasher
- Central Air Conditioning
- Washer/Dryer Hookups
- Carpet
- Window Blinds
- Patio/Balcony
- Storage
- Ceiling Fan

10. COMMUNITY AMENITIES:

The subject property will include the following community features:

- On-Site Management
- Community Room
- Centralized Laundry Facility
- Picnic Area

11. RESIDENT SERVICES:

None

12. UTILITY RESPONSIBILITY:

Water, sewer and trash collection are included in the rent, while tenants are responsible for the following:

- General Electricity
- Electric Heat
- Electric Water Heat
- Electric Cooking

13. RENTAL ASSISTANCE:

The subject project operates under RD 515 program guidelines with Rental Assistance on all current 28 units. The Rental Assistance requires tenants to pay up to 30% of their gross adjusted income towards housing costs. Rental Assistance on all current 28 units will remain in place following LIHTC renovations.

14. PARKING:

The subject site offers a surface parking lot at no additional charge to its residents.

15. CURRENT OCCUPANCY AND TENANT PROFILE:

The subject project is currently 100.0% occupied and maintains a eight-household wait list. Based on information provided by the developer, we anticipate that most, if not all, current tenants will continue to income-qualify following renovations. This assumes that the subject project will maintain Rental Assistance on the 28 units as proposed.

16. PLANNED RENOVATIONS:

Currently, the subject project is considered to be of relatively good overall quality, and shows signs of slight property aging. According to the developer, the subject development will undergo approximately \$27,000 in renovations per unit. The subject is expected to include, but will not be limited to, the following renovations:

- Replacement of existing flooring
- Replacement of kitchen cabinets and countertops
- Replacement of existing kitchen appliances
- Replacement of plumbing fixtures
- Replacement of lighting fixtures
- Replace windows and window blinds
- Replacement of interior and exterior doorways
- Replacement of bathroom cabinets and countertop
- Painting of unit interiors
- Installation of new HVAC
- Re-roofing of buildings
- Upgrade and improve exteriors of buildings
- Landscape improvements to the entrance with new signage (as needed)
- ADA regulations met
- Upgrade sidewalks, dumpster surrounds and landscaping.

17. STATISTICAL AREA:

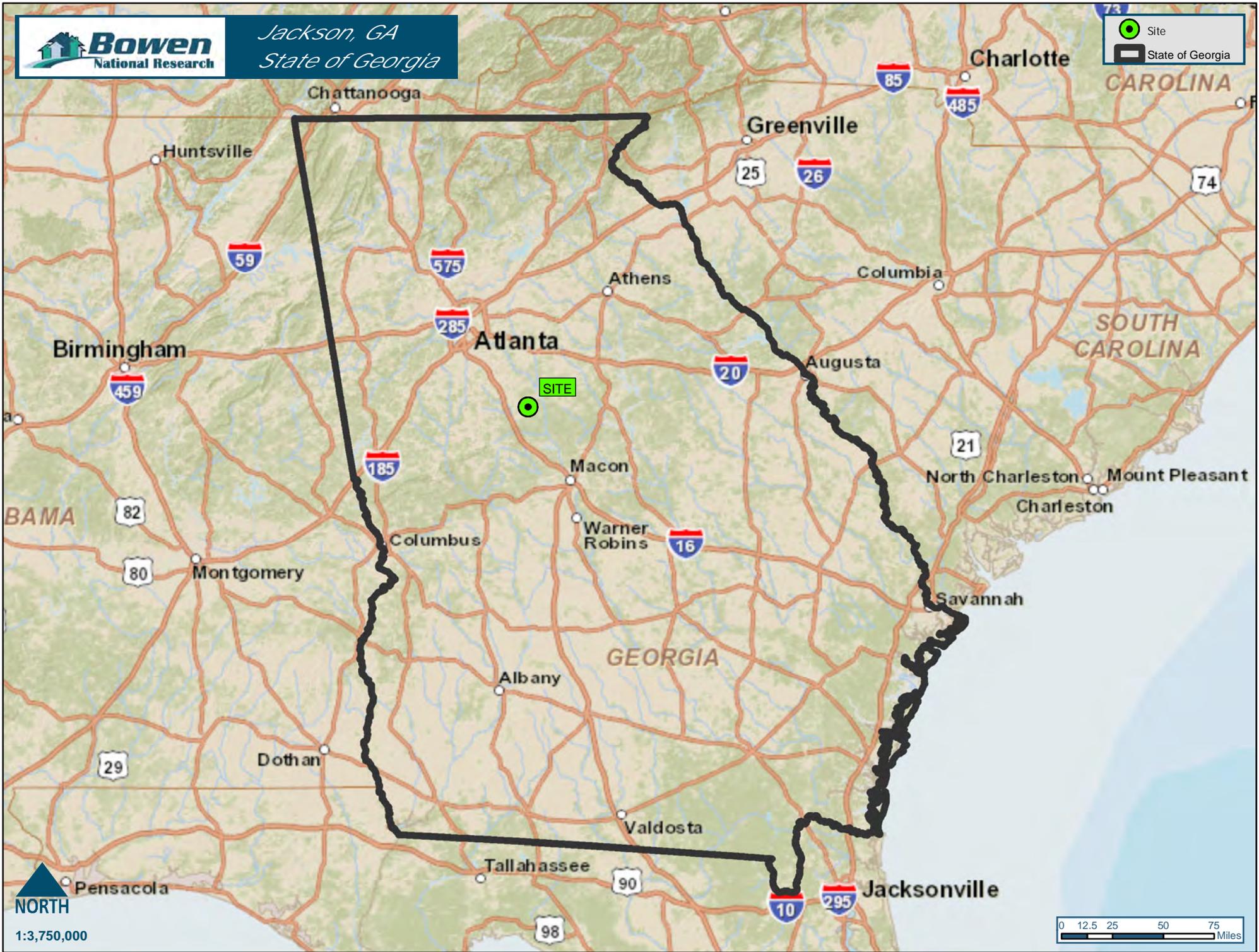
Butts County, Georgia HUD Metro FMR Area (2013)

A state map, an area map and a map illustrating the site neighborhood are on the following pages.



Jackson, GA
State of Georgia

Site
State of Georgia

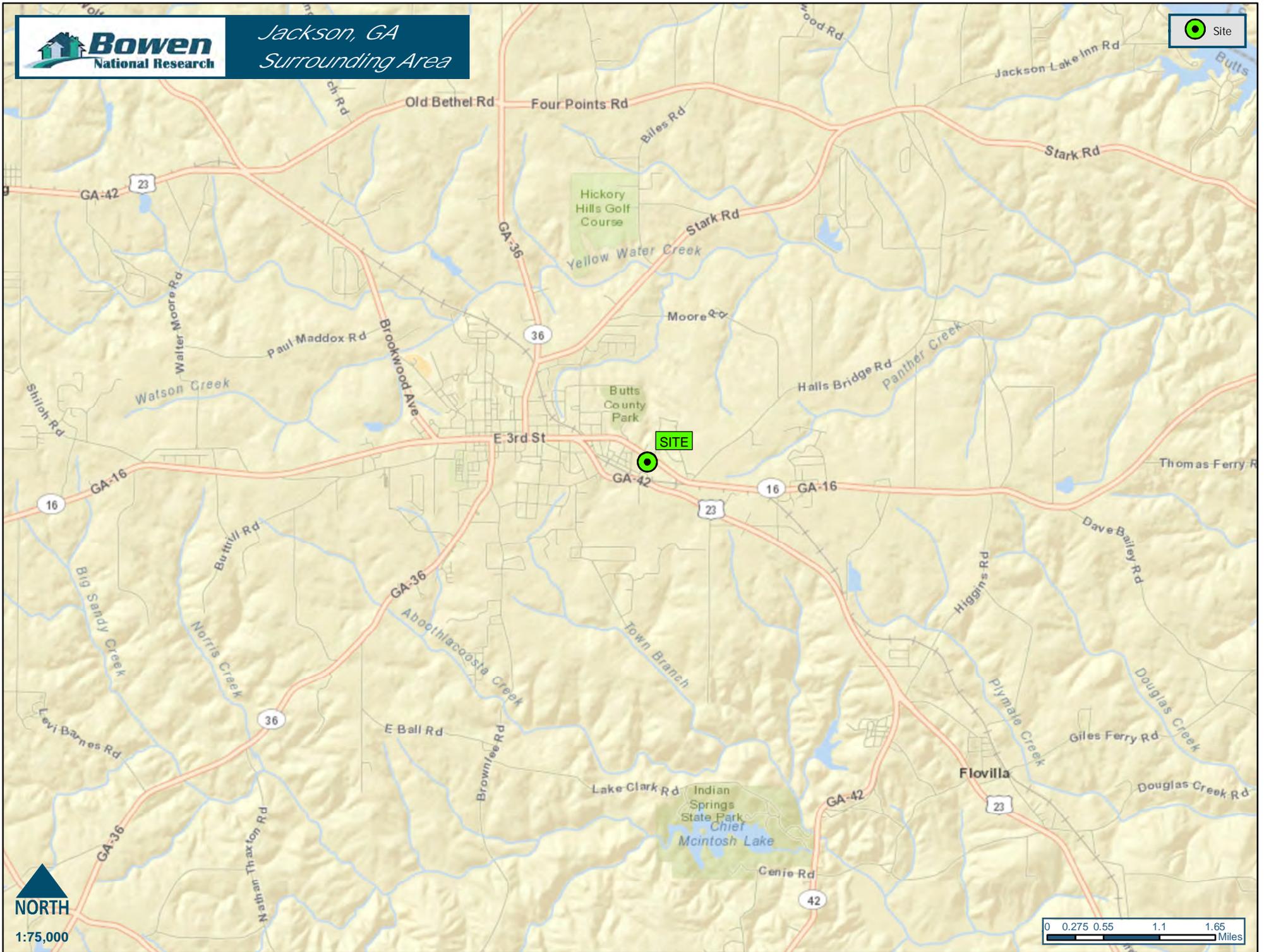


NORTH
1:3,750,000

0 12.5 25 50 75 Miles

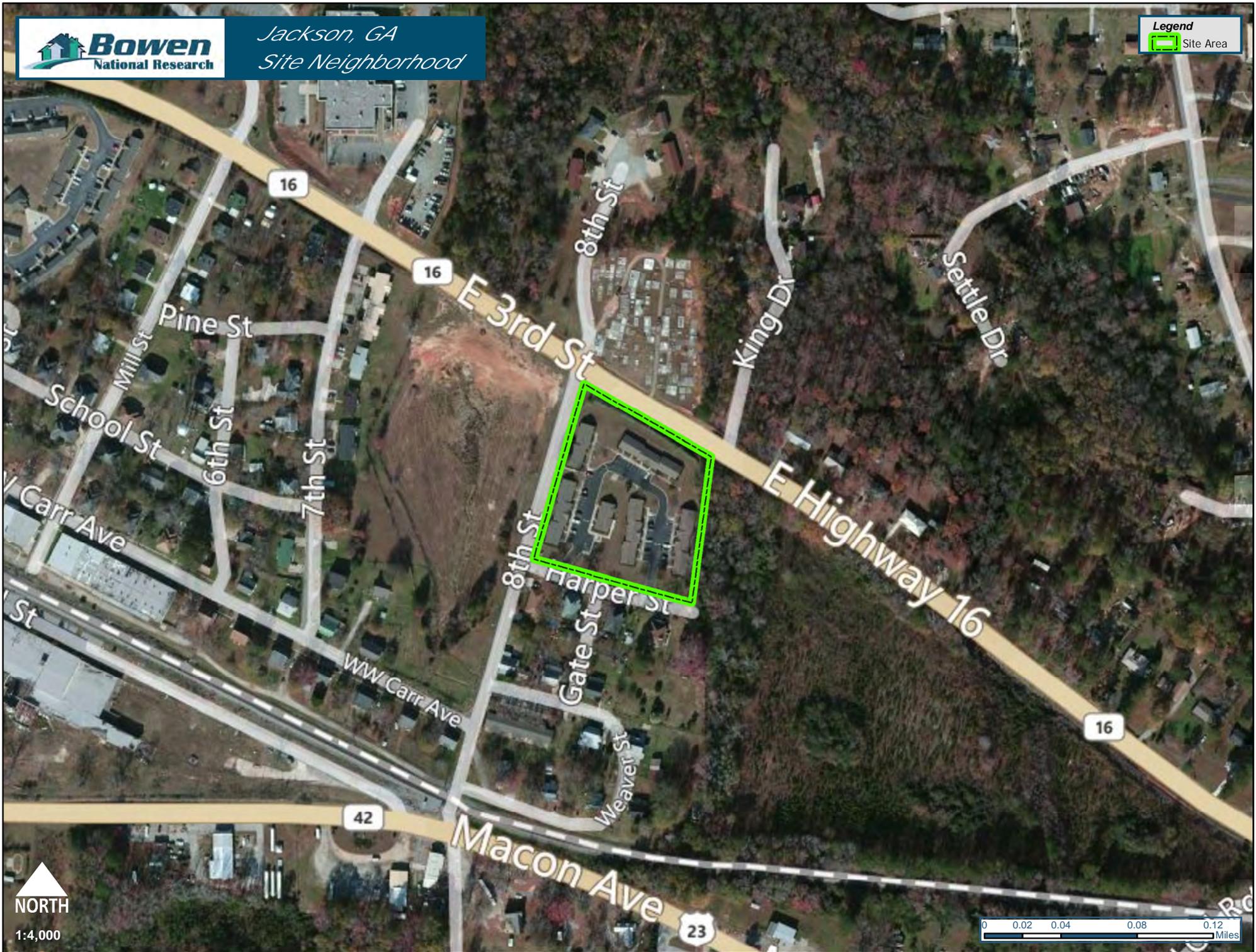


Jackson, GA
Surrounding Area



NORTH
1:75,000

0 0.275 0.55 1.1 1.65
Miles



SECTION C – SITE DESCRIPTION AND EVALUATION

1. LOCATION

The Pepperton Villas rental community is located on 127 Harper Street, in the eastern portion of Jackson, Georgia. Located within Butts County, Jackson is approximately 50.0 miles southeast of Atlanta, Georgia and approximately 83.0 east of the Georgia/Alabama state border. An employee of Bowen National Research inspected the site and area apartments during the week of September 16, 2013.

2. SURROUNDING LAND USES

The subject site is within a rural area of Jackson. Surrounding land uses generally include undeveloped, wooded land, residential dwellings, a cemetery and railroad tracks. Adjacent land uses are detailed as follows:

North -	East Third Street/State Route 16 defines the northern boundary of the site. East Third Street/State Route 16 is a two-lane, moderately-traveled arterial roadway. Continuing north is the Jackson Memorial Cemetery. Further north is undeveloped, wooded land and one-story, single-family homes in satisfactory condition.
East -	Undeveloped, wooded land borders the site to the east. Undeveloped land extends beyond, along with scattered one-story, single-family homes in satisfactory condition.
South -	Harper Street defines the southern boundary of the site. Harper Street is a two-lane, lightly-traveled, feeder-street. Continuing south are two-story, single-family homes in satisfactory condition. Further south are a set of railroad tracks and Macon Avenue/U.S. Highway 23/State Route 42. Macon Avenue is a two-lane, moderately-traveled, arterial roadway.
West -	8th Street defines the western boundary of the site. 8th Street is a two-lane, lightly-traveled, feeder-street. Continuing west is a pond, walking trail and one-story, single-family, residential dwellings considered to be in satisfactory condition. Further west is the Brook Point Apartments and the Church of Jesus Christ of Latter-Day Saints.

The subject site is primarily surrounded by undeveloped, wooded land and residential dwellings that are considered to be in satisfactory condition and well maintained, which are conducive to the continued marketability of the subject site. This is further evidenced by the project's 100.0% occupancy and wait list. Overall, the subject site fits well with the surrounding land uses

3. VISIBILITY AND ACCESS

The subject site is located on Harper Street, a two-lane, lightly-traveled, feeder-street, which ultimately gains access from East Third Street/State Route 16 which was observed to be a two-lane, moderately-traveled arterial roadway. East Third Street/State Route 16 provides significant passerby traffic to the subject site and convenient access to community services in proximity to the site. The subject project is also within 0.2 miles of U.S. Highway 23/State Route 42. In addition, on-call, on-site pickup transportation services are also available. Further, the subject site is generally unimpeded by its surrounding land uses and is clearly visible while traveling along East Third Street/State Route 16. Given the subject site's clear visibility and convenient accessibility, both visibility and access of the subject site are considered good and is anticipated to continue to contribute to the overall marketability of the subject site.

According to area planning and zoning officials, no notable roads or other infrastructure projects are underway or planned for the immediate site area.

4. SITE PHOTOGRAPHS

Photographs of the subject site are on located on the following pages.

SITE PHOTOGRAPHS



Entryway (1)



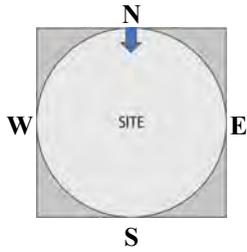
Entryway (2)



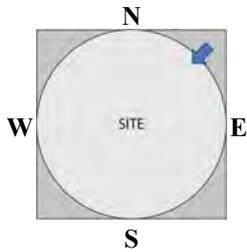
Entryway Signage



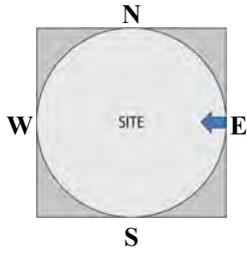
Property Photo



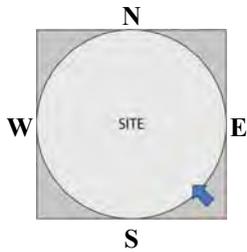
View of site from the north



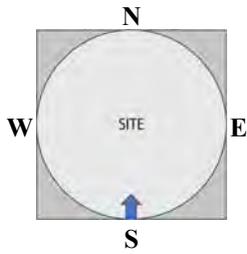
View of site from the northeast



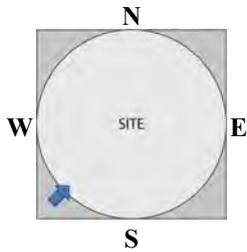
View of site from the east



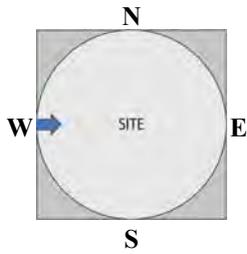
View of site from the southeast



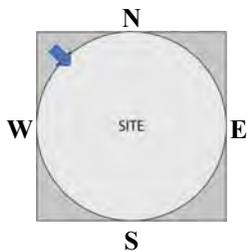
View of site from the south



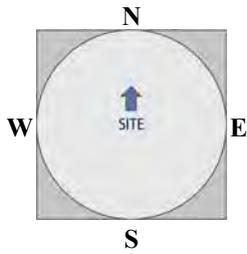
View of site from the southwest



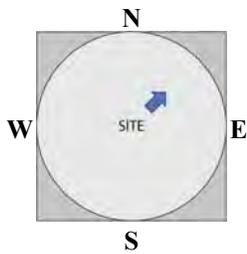
View of site from the west



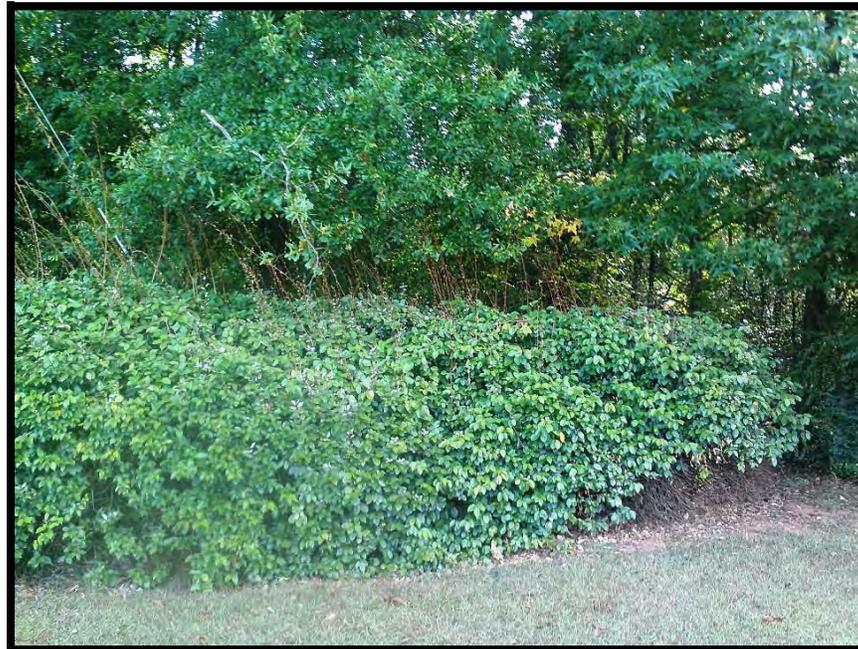
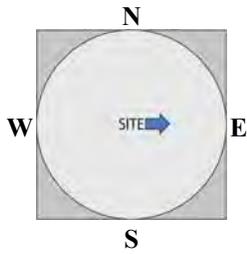
View of site from the northwest



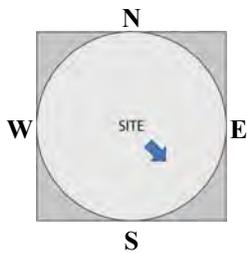
North view from site



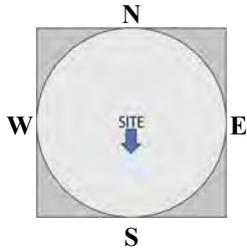
Northeast view from site



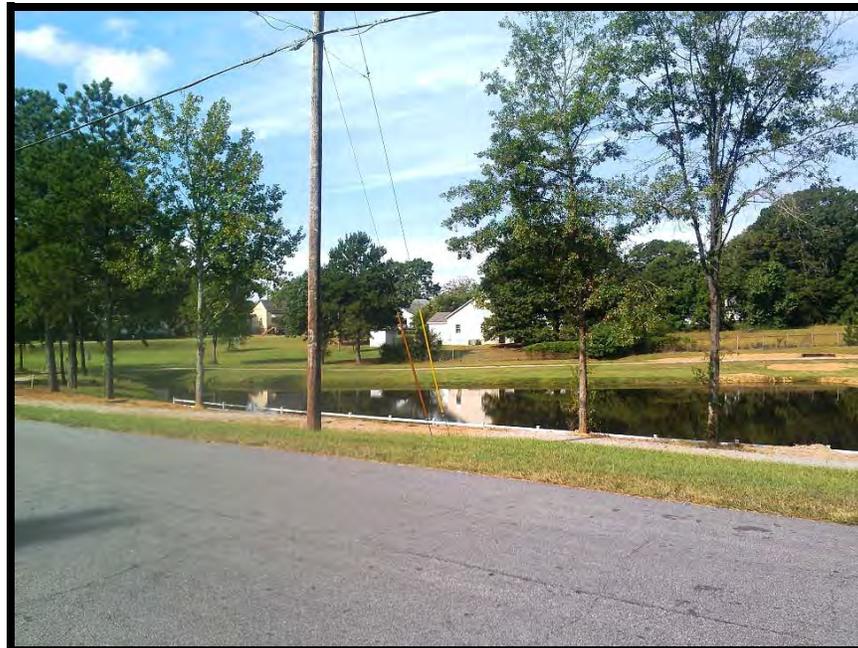
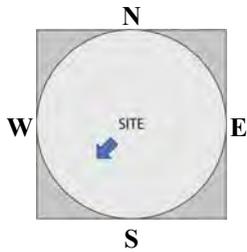
East view from site



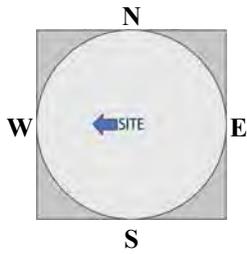
Southeast view from site



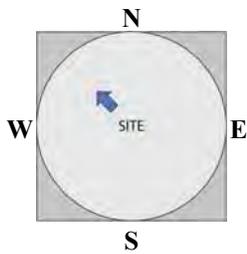
South view from site



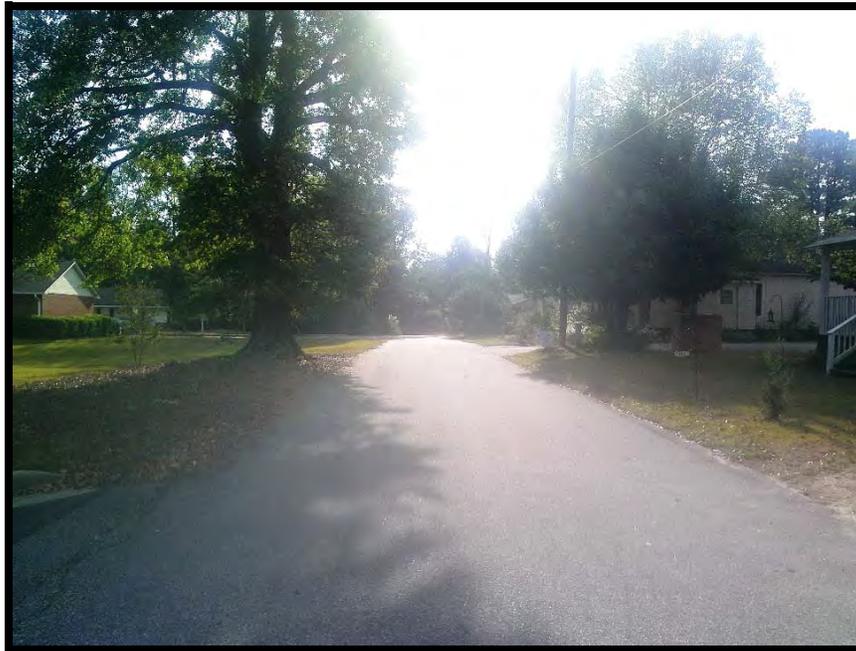
Southwest view from site



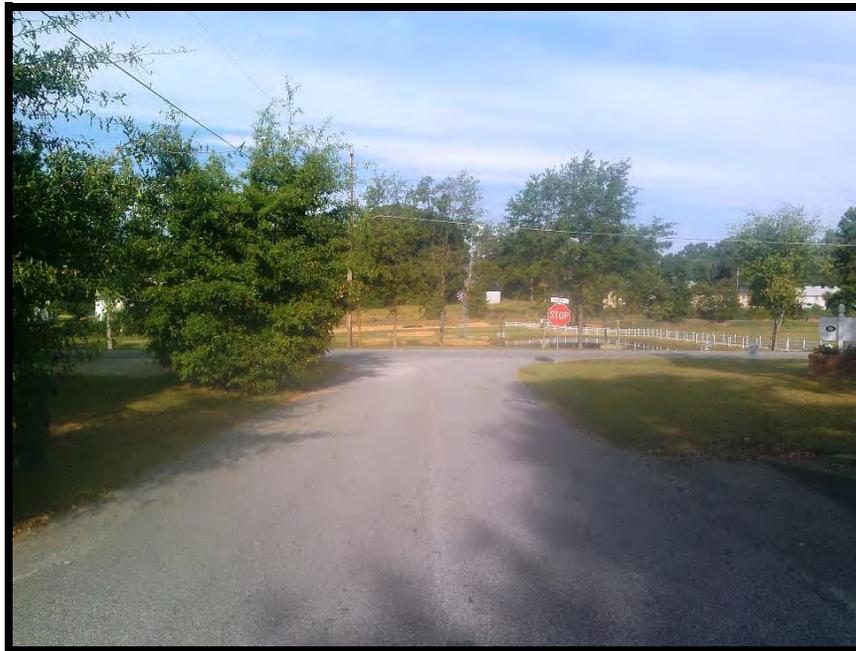
West view from site



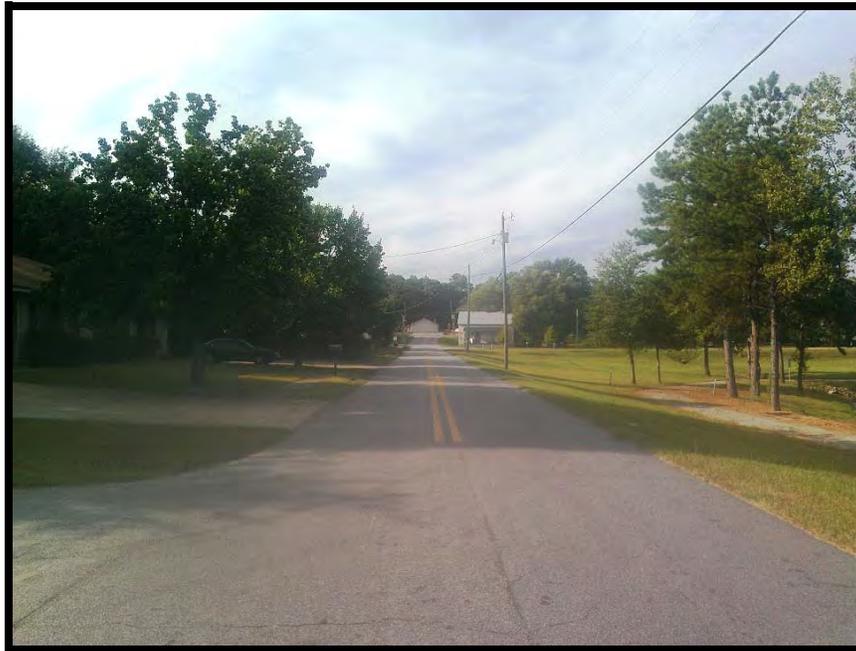
Northwest view from site



East View of Harper Street



West View of Harper Street



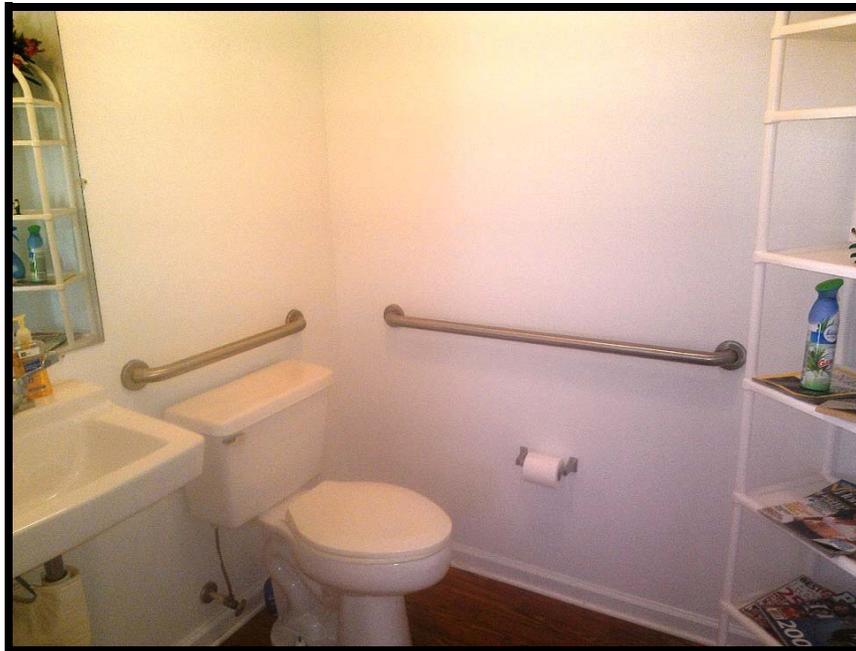
South View of 8th Street



North View of 8th Street



Community Room



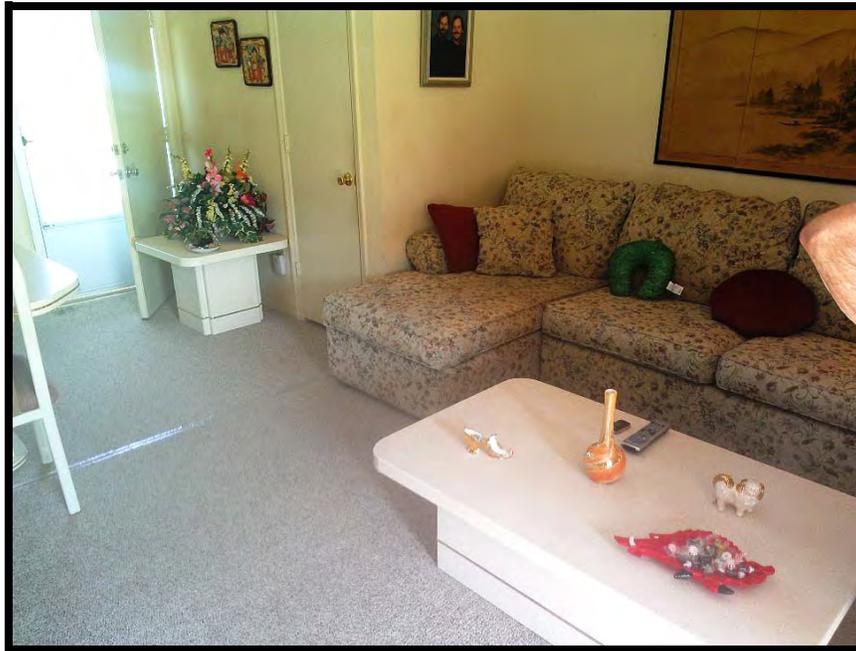
Community Room - Bathroom



Community Room - Kitchen



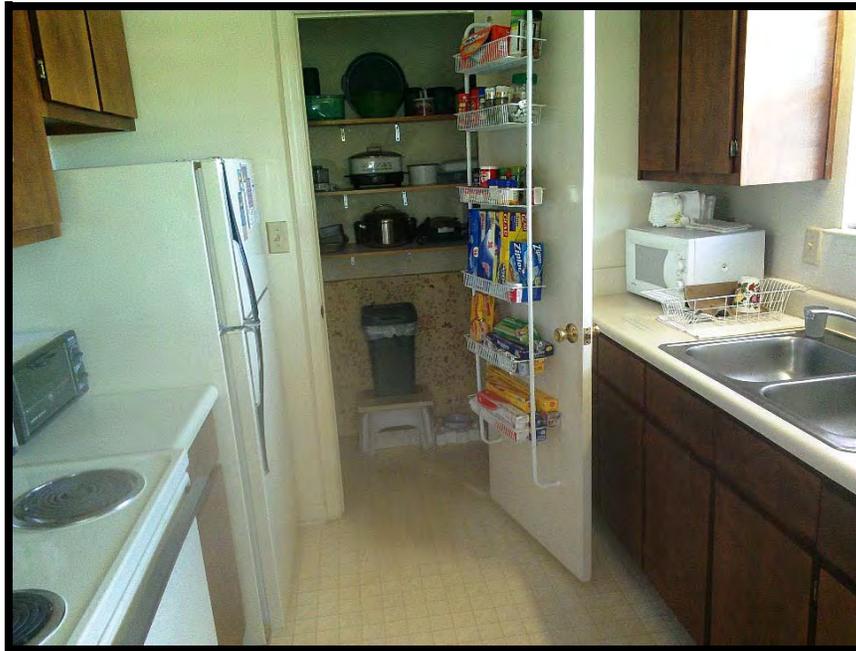
Community Room - Laundry Room



One/Bedroom - Living Room



One-Bedroom - Dining Room



One-Bedroom - Kitchen



One-Bedroom - Bathroom



One-Bedroom

5. PROXIMITY TO COMMUNITY SERVICES AND INFRASTRUCTURE

The site is served by the community services detailed in the following table:

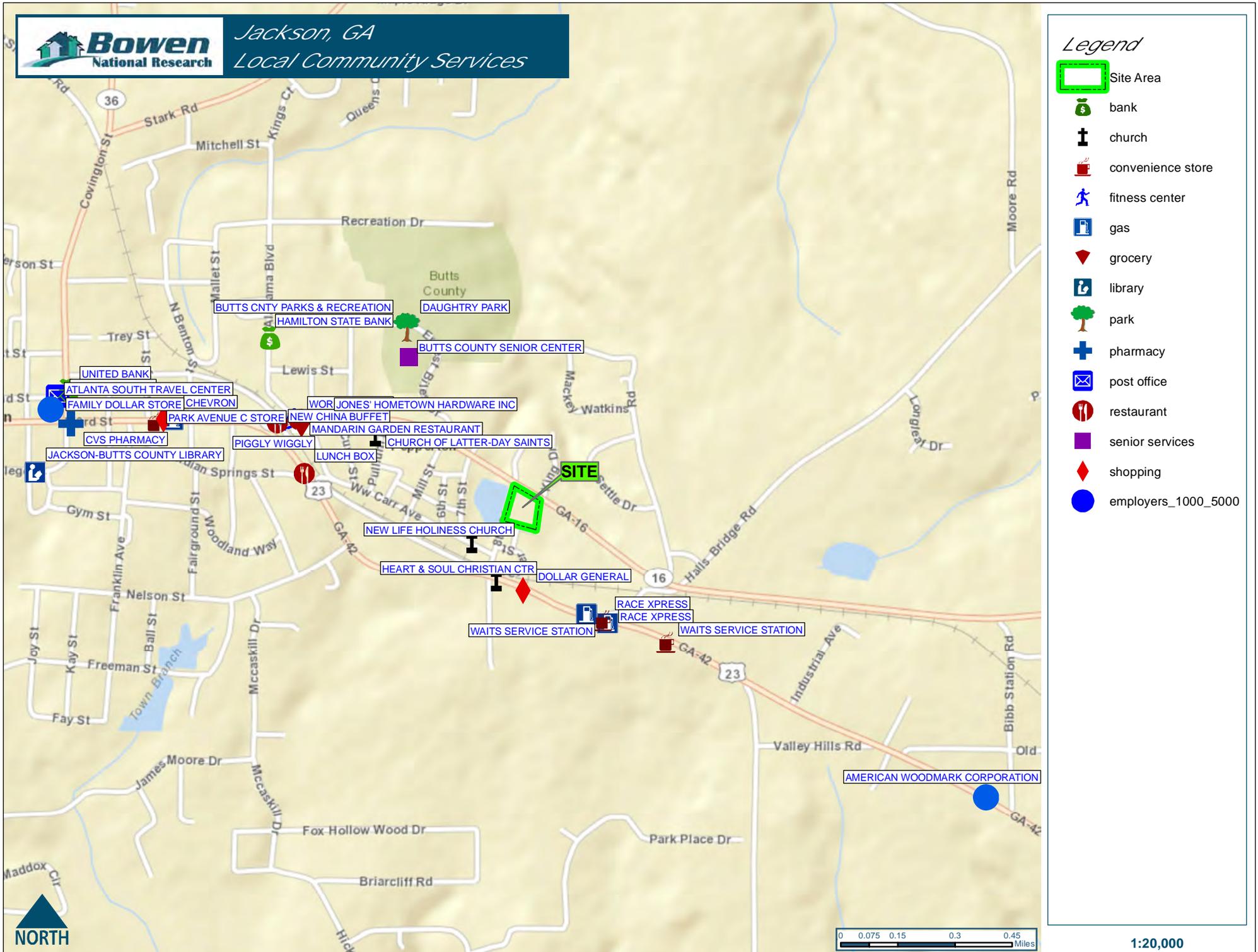
Community Services	Name	Driving Distance From Site (Miles)
Major Highway(s)	State Route 16	0.1 North
	U.S. Highway 23/State Route 42	0.2 South
Public Bus Stop	Butts County Senior Center	On-Site
	Butts County Regional Transit	On-Site
Major Employers/Employment Centers	Atlanta South Travel Center	1.3 Northwest
	American Woodmark Corporation	1.4 Southeast
Convenience Store	Waits Service Station	0.4 Southeast
	Race Xpress	0.4 Southeast
	Park Avenue C Store	0.9 West
Grocery	Piggly Wiggly	0.6 West
	Dollar General Market	2.3 West
	Ingles Market	2.4 West
Discount Department Store	Dollar General	0.2 South
	Family Dollar Store	0.9 West
Hospital	Sylvan Grove Hospital	2.5 West
Police	Jackson Police Department	1.5 West
Fire	Jackson Fire Department	1.4 West
Post Office	U.S. Post Office	1.2 West
Bank	Hamilton State Bank	0.9 Northwest
	United Bank	1.2 West
Senior Center	Butts County Senior Center	0.6 Northwest
Recreational Facilities	Butts County Parks & Recreation	0.6 Northwest
Gas Station	Waits Service Station	0.4 Southeast
	Race Xpress	0.4 Southeast
	Chevron	0.9 West
Pharmacy	CVS Pharmacy	1.1 West
	City Pharmacy	1.4 West
	Big D's Discount Drugs	1.5 West
Restaurant	Lunch Box	0.6 West
	Mandarin Garden Restaurant	0.6 West
	New China Buffet	0.7 West
Library	Jackson-Butts County Library	1.3 West
Fitness Center	World Fitness	0.6 West
	Health Fitness	1.9 Northwest
Golf	Hickory Hill Golf Course	2.9 North
Park	Daughtry Park	0.6 Northwest
Church	New Life Holiness Church	0.2 West
	Heart & Soul Christian Center	0.2 Southwest
	Church of Jesus Christ Latter-Day Saints.	0.5 West

The subject site is located within proximity of numerous community services including grocery stores, pharmacies, banks, gas stations and discount retailers. Many of these community services are located within 1.5 miles including Race Xpress Gas Station, Ingles Market, Dollar General, Family Dollar, Hamilton State Bank, CVS and New China Buffet.

It should be of note that there is no fixed route public transportation system in the city of Jackson but given the proximity of many of the community services in the Jackson area, residents of the subject site are able to obtain their needs without traveling long distances. It should also be noted that the Butts County Senior Center provides on-call transportation services for senior's everyday needs. Butts County Regional Transit system also provides on-call transportation services to individuals within the region. Fares for Butt County Regional Transit range from \$1.00 to \$3.00 one way.

The Sylvan Grove Hospital is the nearest full-service hospital with emergency services and is located within 2.5 miles of the subject site. All public safety services are provided by the Jackson Police Department and the Jackson Fire Department which are both located within 1.5 miles from the subject site.

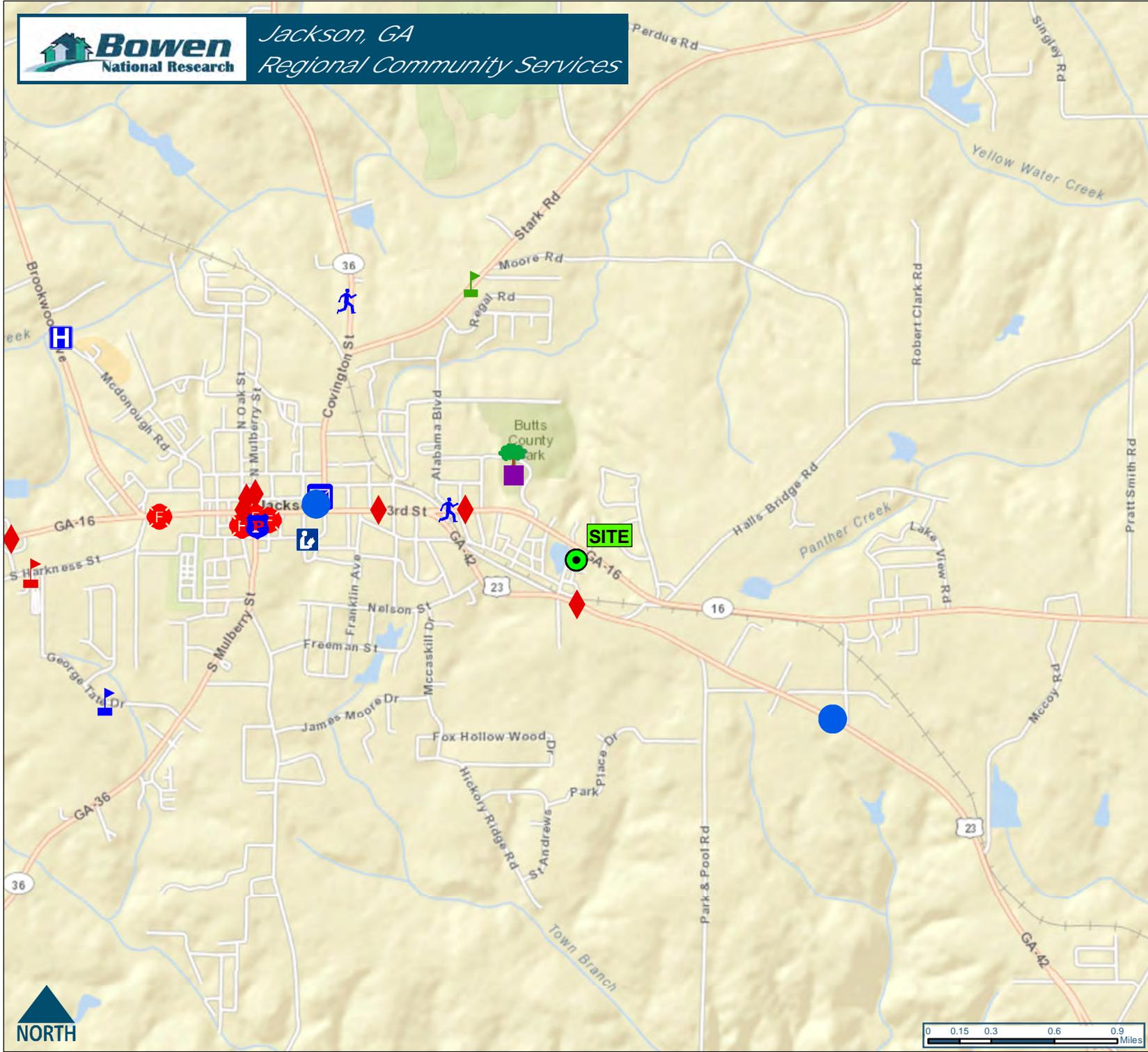
Maps illustrating the location of community services are on the following pages.



- Legend*
-  Site Area
 -  bank
 -  church
 -  convenience store
 -  fitness center
 -  gas
 -  grocery
 -  library
 -  park
 -  pharmacy
 -  post office
 -  restaurant
 -  senior services
 -  shopping
 -  employers_1000_5000



1:20,000



Legend

-  Site
-  elementary school
-  fire
-  fitness center
-  high school
-  hospital
-  library
-  middle school
-  park
-  police
-  post office
-  senior services
-  shopping
-  employers_1000_5000



6. CRIME ISSUES

The primary source for Crime Risk data is the FBI Uniform Crime Report (UCR). The FBI collects data from each of roughly 16,000 separate law enforcement jurisdictions across the country and compiles this data into the UCR. The most recent update showed an overall coverage rate of 95% of all jurisdictions nationwide with a coverage rate of 97% of all jurisdictions in metropolitan areas.

Applied Geographic Solutions uses the UCR at the jurisdictional level to model each of the seven crime types at other levels of geography. Risk indexes are standardized based on the national average. A Risk Index value of 100 for a particular risk indicates that, for the area, the relative probability of the risk is consistent with the average probability of that risk across the United States.

It should be noted that aggregate indexes for total crime, personal crime and property crime are not weighted, and murder is no more significant statistically in these indexes than petty theft. Thus, caution should be exercised when using them.

Total crime risk (57) for the Site PMA is below the national average with an overall personal crime index of 37 and a property crime index of 68. Total crime risk (57) for Butts County is below the national average with indexes for personal and property crime of 37 and 68, respectively.

	Crime Risk Index	
	Site PMA	Butts County
Total Crime	57	57
Personal Crime	37	37
Murder	65	65
Rape	33	33
Robbery	28	28
Assault	31	31
Property Crime	68	68
Burglary	73	73
Larceny	84	84
Motor Vehicle Theft	47	47

Source: Applied Geographic Solutions

As the preceding table illustrates the crime risk index for the Site PMA/Butts County is significantly below the national average. As such, the perception of crime, or lack there of, will not be a factor on the continued marketability of the site. This is evidenced by the subject's 100.0% occupancy and wait list.

A map illustrating crime risk is on the following page.



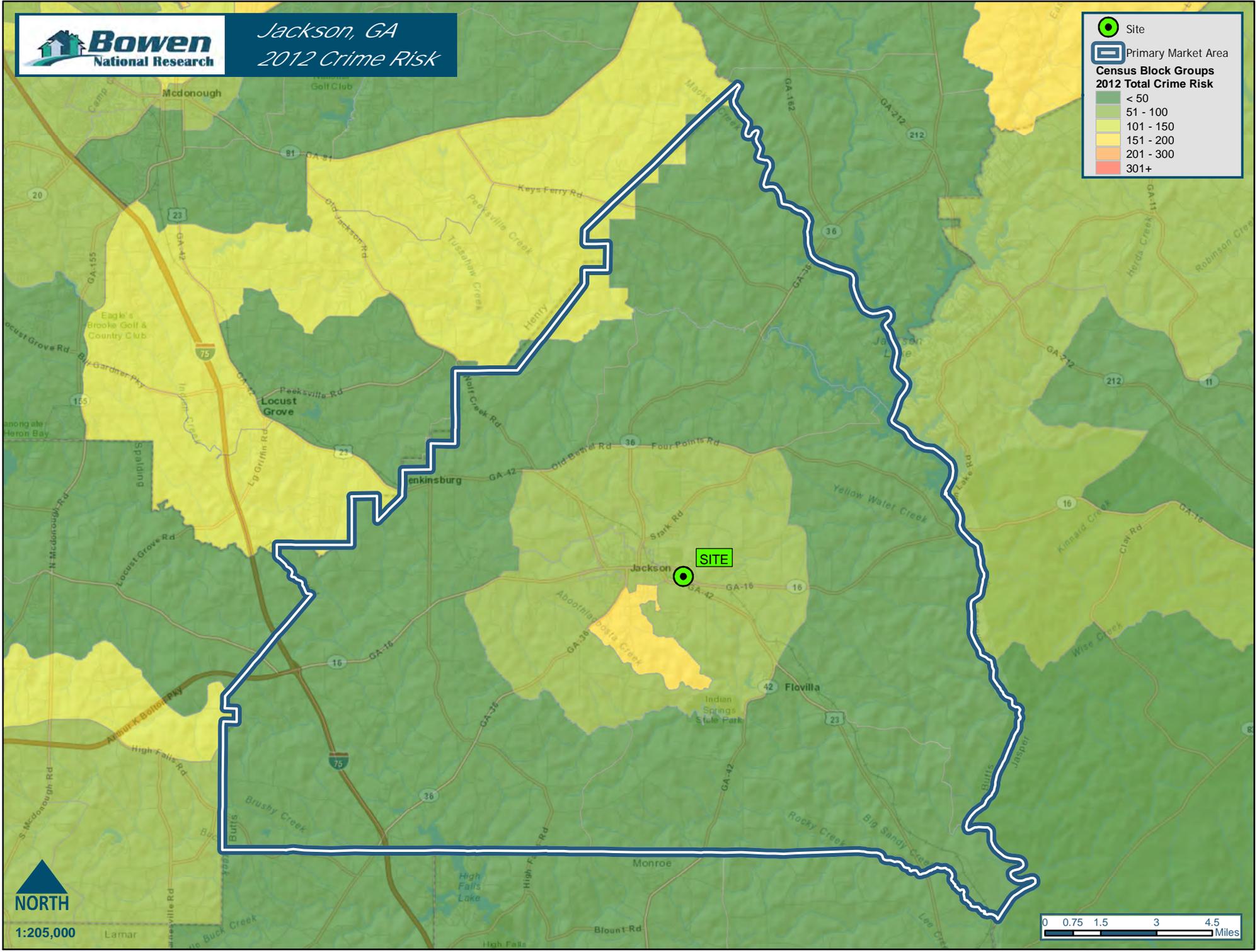
Jackson, GA
2012 Crime Risk

● Site

▭ Primary Market Area

Census Block Groups
2012 Total Crime Risk

- < 50
- 51 - 100
- 101 - 150
- 151 - 200
- 201 - 300
- 301+



1:205,000



7. OVERALL SITE EVALUATION

The subject site is located within a rural area of Jackson. The surrounding land uses predominantly consist of undeveloped, wooded land and residential dwellings that are considered to be in satisfactory condition and well maintained. The surrounding land uses are consistent with those observed throughout the market area and the subject site fits well with its surrounding land uses. The subject site is located within proximity of numerous community services including grocery stores, pharmacies, banks, gas stations and discount retailers, many of which are located within 1.5 miles of the subject site. The subject site is generally unimpeded by surrounding land uses and provides convenient accessibility to arterial roadways and community services. Given the subject site's clear visibility and convenient accessibility, both visibility and access of the subject site are considered good and is anticipated to contribute to the continued overall marketability of the site.

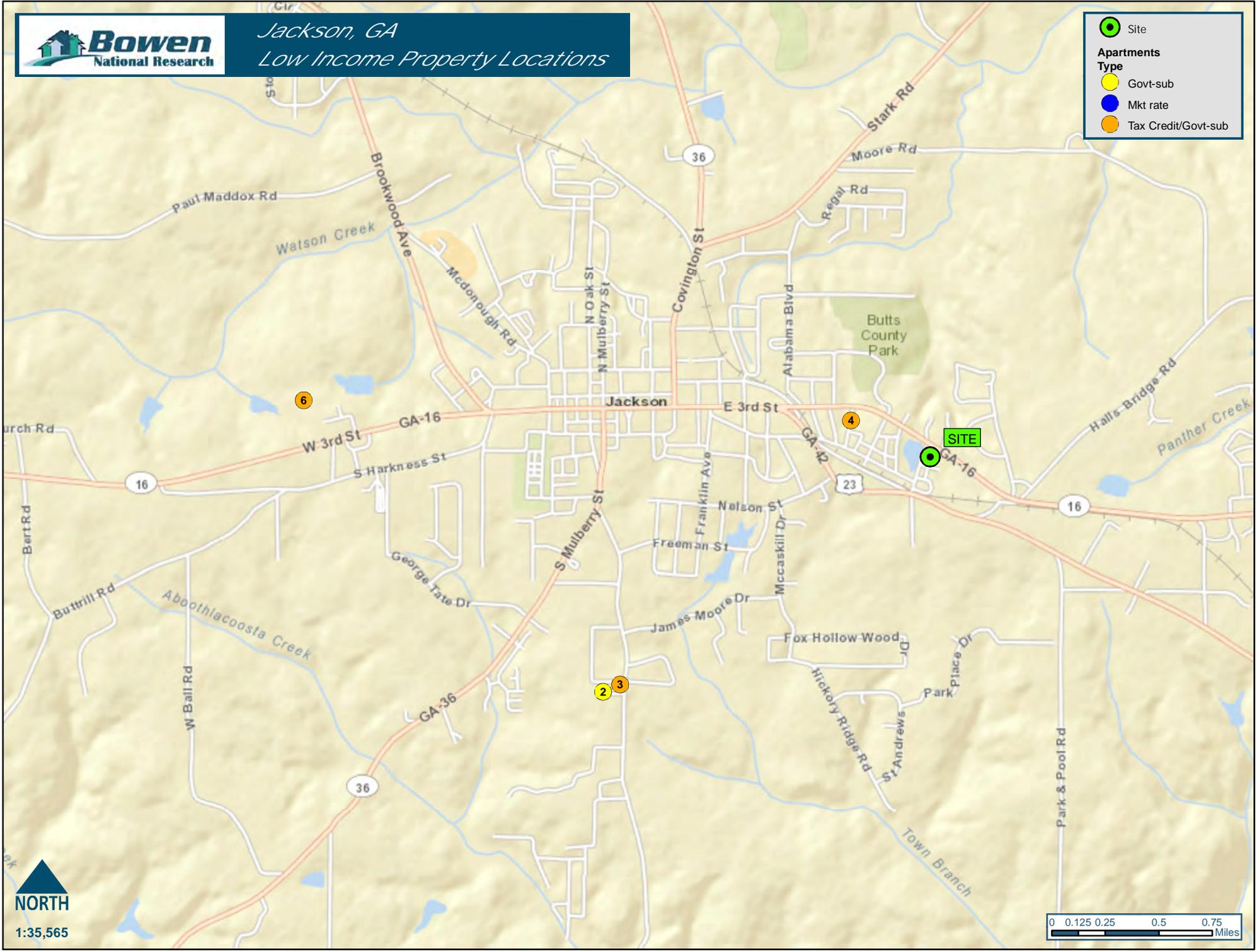
8. MAP OF LOW-INCOME RENTAL HOUSING

A map illustrating the location of low-income rental housing (4% and 9% Tax Credit Properties, Tax Exempt Bond Projects, Rural Development Properties, HUD Section 8 and Public Housing, etc.) identified in the Site PMA is included on the following page.



Jackson, GA
Low Income Property Locations

● Site
● Apartments Type
● Govt-sub
● Mkt rate
● Tax Credit/Govt-sub



NORTH
1:35,565

0 0.125 0.25 0.5 0.75 Miles

SECTION D – PRIMARY MARKET AREA DELINEATION

The Primary Market Area (PMA) is the geographical area from which most of the support for the subject development is expected to continue to originate. The Jackson Site PMA was determined through interviews with management at the subject site, area leasing agents, senior center representatives and the personal observations of our analysts. The personal observations of our analysts include physical and/or socioeconomic differences in the market and a demographic analysis of the area households and population.

The Jackson Site PMA includes all of Butts County, therefore, the boundaries of the Jackson Site PMA consist of the Butts County line to the north, south, east and west.

Peggy Cone, Property Manager of the Pepperton Villas Apartments (subject site), stated that the majority of her tenants originate from the Jackson area, as well as the surrounding unincorporated areas of Butts County. Ms. Cone further stated that because the subject project is age-restricted, many of her tenants were either raised in Butts County or have raised a family in the county. As such, seniors within the county want to remain in the county to remain close to their families. When asked if Ms. Cone's property received support from any areas outside of the county, she explained that because Butts County is quite rural and the outlying towns are fairly far away, she does not receive a lot of tenants from outside areas. Thus, confirming the Site PMA.

Lynn Griffis, Property Manager of the Mill Lake Apartments (Map I.D. 2), a government-subsidized, general-occupancy project stated that the majority of her tenants originate from the Jackson and Butts County areas. Ms. Griffis further stated that her property very rarely receives tenants outside of Butts County. Ms. Griffis explained that Jackson is typically a rural area and does not have many job opportunities that many other counties and nearby cities have to offer which she believes to be the reason why many individuals outside of Butts County do not relocate there.

Chrissy Crabtree, Site Manager of the Butts County Senior Center, stated that many of the seniors in the area are generally from Butts County. Ms. Crabtree further stated that there are few seniors who come from areas outside of the county but many times they are relocating back to the county. It was noted that there are affordable housing alternatives for seniors in the surrounding counties and that seems to be the reason why many seniors aren't coming from areas outside of Butts County.

Although a small portion of support may originate from some of the outlying smaller communities in the area; we have not, however, considered any secondary market area in this report.

A map delineating the boundaries of the Site PMA is included on the following page.

SECTION E - COMMUNITY DEMOGRAPHIC DATA

The following demographic data relates to the Site PMA. It is important to note that not all 2015 projections quoted in this section agree because of the variety of sources and rounding methods used. In most cases, the differences in the 2015 projections do not vary more than 1.0%.

1. POPULATION TRENDS

The Site PMA population bases for 2000, 2010, 2013 (estimated) and 2015 (projected) are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Population	19,652	24,018	24,052	24,057
Population Change	-	4,366	34	5
Percent Change	-	22.2%	0.1%	0.0%

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The Jackson Site PMA population base increased by 4,366 between 2000 and 2010. This represents a 22.2% increase from the 2000 population, or an annual rate of 2.0%. Between 2010 and 2013, the population increased by 34, or 0.1%. It is projected that the population will continue to be relatively stable, between 2013 and 2015.

The Site PMA population bases by age are summarized as follows:

Population by Age	2010 (Census)		2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
19 & Under	6,089	25.4%	5,960	24.8%	5,924	24.6%	-36	-0.6%
20 to 24	1,618	6.7%	1,620	6.7%	1,579	6.6%	-42	-2.6%
25 to 34	3,312	13.8%	3,357	14.0%	3,360	14.0%	3	0.1%
35 to 44	3,430	14.3%	3,334	13.9%	3,302	13.7%	-32	-1.0%
45 to 54	3,656	15.2%	3,503	14.6%	3,400	14.1%	-103	-2.9%
55 to 64	2,904	12.1%	3,054	12.7%	3,101	12.9%	48	1.6%
65 to 74	1,788	7.4%	1,984	8.2%	2,131	8.9%	147	7.4%
75 & Over	1,220	5.1%	1,241	5.2%	1,260	5.2%	20	1.6%
Total	24,018	100.0%	24,052	100.0%	24,057	100.0%	5	0.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

As the preceding table illustrates, over 26% of the population is expected to be age 55 and older in 2013; 27% projected in 2015. This age group is the prime group of current and potential rents for the subject site and will likely represent a significant number of the tenants.

The following compares the PMA's elderly (age 62+) and non-elderly population.

Population Type	Year		
	2010 (Census)	2013 (Estimated)	2015 (Projected)
Elderly (Age 62+)	3,817	4,087	4,273
Non-Elderly	20,201	19,965	19,784
Total	24,018	24,052	24,057

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The elderly population is projected to increase by 186, or 4.5%, between 2013 and 2015. This increase among the targeted age cohort will likely increase the demand of senior-oriented housing. It should be noted that the senior population is the only population in the market that is projected to experience population growth.

2. HOUSEHOLD TRENDS

Household trends within the Jackson Site PMA are summarized as follows:

	Year			
	2000 (Census)	2010 (Census)	2013 (Estimated)	2015 (Projected)
Households	6,493	7,985	7,992	8,004
Household Change	-	1,492	7	12
Percent Change	-	23.0%	0.1%	0.1%
Household Size	3.03	3.01	2.72	2.71

Source: 2000, 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Within the Jackson Site PMA, households increased by 1,492 (23.0%) between 2000 and 2010. Between 2010 and 2013, households increased by 7 or 0.1%. Similar to population trends, household growth is projected to continue to remain relatively stable through 2015.

The Site PMA household bases by age are summarized as follows:

Households by Age	2010 (Census)		2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under 25	251	3.1%	243	3.0%	237	3.0%	-6	-2.6%
25 to 34	1,049	13.1%	1,054	13.2%	1,050	13.1%	-4	-0.4%
35 to 44	1,430	17.9%	1,365	17.1%	1,342	16.8%	-23	-1.7%
45 to 54	1,768	22.1%	1,663	20.8%	1,602	20.0%	-61	-3.7%
55 to 64	1,643	20.5%	1,701	21.3%	1,717	21.5%	16	1.0%
65 to 74	1,120	14.0%	1,222	15.3%	1,303	16.3%	81	6.6%
75 to 84	552	6.9%	571	7.2%	572	7.2%	1	0.1%
85 & Over	189	2.4%	172	2.2%	180	2.2%	8	4.5%
Total	8,002	100.0%	7,992	100.0%	8,004	100.0%	12	0.1%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Between 2013 and 2015, the only growth among household age groups is projected to be among households ages 55 and older. This is an increase of 106 households, or 2.9%. This growth likely indicates an increasing need for senior housing in the market.

Households by tenure are distributed as follows:

Distribution of Households	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied (<Age 62)	4,003	50.1%	3,969	49.7%	3,908	48.8%
Owner-Occupied (Age 62+)	1,869	23.4%	1,850	23.2%	1,927	24.1%
Renter-Occupied (<Age 62)	1,657	20.8%	1,605	20.1%	1,585	19.8%
Renter-Occupied (Age 62+)	455	5.7%	568	7.1%	584	7.3%
Total	7,985	100.0%	7,992	100.0%	8,004	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Currently, 7.1% of all occupied housing units within the Site PMA are occupied by renters age 62 and older. Renters age 62 and older are projected to increase by 16 households, or 2.8%.

Households by tenure are distributed as follows:

Tenure	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	5,873	73.5%	5,819	72.8%	5,835	72.9%
Renter-Occupied	2,112	26.5%	2,173	27.2%	2,169	27.1%
Total	7,985	100.0%	7,992	100.0%	8,004	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2013, homeowners occupied 72.8% of all occupied housing units, while the remaining 27.2% were occupied by renters.

Households by tenure for those ages 62 and older in 2010, 2013 (estimated) and 2015 (projected) are distributed as follows:

Tenure Age 62+	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Number	Percent	Number	Percent	Number	Percent
Owner-Occupied	1,869	80.4%	1,850	76.5%	1,927	76.7%
Renter-Occupied	455	19.6%	568	23.5%	584	23.3%
Total	2,325	100.0%	2,419	100.0%	2,511	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

A total of 568 (23.5%) of all households age 62 and older within the Site PMA were renters in 2013.

The household sizes by tenure for age 62 and older within the Site PMA, based on the 2013 estimates and 2015 projections, were distributed as follows:

Persons Per Renter Household Age 62+	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	348	61.2%	354	60.5%	6	1.8%
2 Persons	147	25.8%	152	26.1%	6	3.8%
3 Persons	28	4.9%	30	5.1%	2	6.5%
4 Persons	0	0.0%	0	0.0%	0	170.2%
5 Persons+	46	8.1%	49	8.3%	2	5.4%
Total	568	100.0%	584	100.0%	16	2.8%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Persons Per Owner Household Age 62+	2013 (Estimated)		2015 (Projected)		Change 2013-2015	
	Households	Percent	Households	Percent	Households	Percent
1 Person	605	32.7%	627	32.5%	22	3.7%
2 Persons	1,057	57.1%	1,096	56.9%	39	3.7%
3 Persons	94	5.1%	103	5.3%	9	9.0%
4 Persons	27	1.5%	30	1.6%	3	10.0%
5 Persons+	67	3.6%	71	3.7%	4	6.0%
Total	1,850	100.0%	1,927	100.0%	77	4.2%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

The subject site targets one- to two-person senior households, which comprise approximately 87.0% of the Site PMA's senior renter households in 2013. As such, the subject project will continue to accommodate nearly all of the senior renter households within the Site PMA based on household size.

The distribution of households by income within the Jackson Site PMA is summarized as follows:

Household Income	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	459	5.8%	358	4.5%	355	4.4%
\$10,000 to \$19,999	929	11.6%	1,093	13.7%	1,076	13.4%
\$20,000 to \$29,999	807	10.1%	876	11.0%	874	10.9%
\$30,000 to \$39,999	944	11.8%	968	12.1%	960	12.0%
\$40,000 to \$49,999	705	8.8%	636	8.0%	651	8.1%
\$50,000 to \$59,999	773	9.7%	850	10.6%	825	10.3%
\$60,000 to \$74,999	955	12.0%	1,098	13.7%	1,097	13.7%
\$75,000 to \$99,999	1,110	13.9%	979	12.3%	996	12.4%
\$100,000 to \$124,999	684	8.6%	581	7.3%	591	7.4%
\$125,000 to \$149,999	385	4.8%	375	4.7%	381	4.8%
\$150,000 to \$199,999	107	1.3%	65	0.8%	84	1.0%
\$200,000 & Over	127	1.6%	111	1.4%	113	1.4%
Total	7,985	100.0%	7,992	100.0%	8,004	100.0%
Median Income	\$51,918		\$50,761		\$51,029	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income was \$51,918. This declined by 2.2% to \$50,761 in 2013. By 2015, it is projected that the median household income will be \$51,029, an increase of 0.5% from 2013.

The distribution of households by income age 62 and older within the Jackson Site PMA is summarized as follows:

Household Income 62+	2010 (Census)		2013 (Estimated)		2015 (Projected)	
	Households	Percent	Households	Percent	Households	Percent
Less Than \$10,000	132	5.7%	104	4.3%	106	4.2%
\$10,000 to \$19,999	606	26.1%	647	26.8%	648	25.8%
\$20,000 to \$29,999	244	10.5%	273	11.3%	290	11.5%
\$30,000 to \$39,999	417	18.0%	425	17.6%	432	17.2%
\$40,000 to \$49,999	199	8.5%	205	8.5%	222	8.9%
\$50,000 to \$59,999	198	8.5%	228	9.4%	233	9.3%
\$60,000 to \$74,999	167	7.2%	206	8.5%	223	8.9%
\$75,000 to \$99,999	130	5.6%	119	4.9%	132	5.3%
\$100,000 to \$124,999	90	3.9%	83	3.4%	88	3.5%
\$125,000 to \$149,999	55	2.4%	61	2.5%	63	2.5%
\$150,000 to \$199,999	28	1.2%	18	0.7%	21	0.9%
\$200,000 & Over	58	2.5%	50	2.1%	52	2.1%
Total	2,325	100.0%	2,419	100.0%	2,511	100.0%
Median Income	\$34,326		\$34,361		\$34,899	

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

In 2010, the median household income for households age 62 and older was \$34,326. This increased by 0.1% to \$34,361 in 2013. By 2015, it is projected that the median household income will be \$34,899, an increase of 1.6% from 2013.

The following tables illustrate renter household income by household size for age 62 and older for 2010, 2013 and 2015 for the Jackson Site PMA:

Renter Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	32	2	1	0	2	36
\$10,000 to \$19,999	133	49	2	0	25	209
\$20,000 to \$29,999	38	0	0	0	0	38
\$30,000 to \$39,999	43	0	13	0	0	56
\$40,000 to \$49,999	8	37	0	0	0	45
\$50,000 to \$59,999	10	4	1	0	4	18
\$60,000 to \$74,999	5	25	0	0	0	31
\$75,000 to \$99,999	3	3	0	0	2	7
\$100,000 to \$124,999	0	0	0	0	1	1
\$125,000 to \$149,999	5	4	0	0	0	9
\$150,000 to \$199,999	1	0	0	0	0	1
\$200,000 & Over	0	4	0	1	0	4
Total	278	127	17	1	33	455

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 62+ Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	31	2	1	0	2	36
\$10,000 to \$19,999	165	48	10	0	35	259
\$20,000 to \$29,999	53	0	0	0	0	53
\$30,000 to \$39,999	57	0	14	0	0	71
\$40,000 to \$49,999	5	44	0	0	0	49
\$50,000 to \$59,999	11	5	1	0	5	22
\$60,000 to \$74,999	7	35	1	0	0	43
\$75,000 to \$99,999	3	3	0	0	1	7
\$100,000 to \$124,999	5	0	0	0	1	7
\$125,000 to \$149,999	8	7	0	0	0	15
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	1	3	0	0	1	4
Total	348	147	28	0	46	568

Source: Ribbon Demographics; ESRI; Urban Decision Group

Renter Age 62+ Households	2015 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	32	2	1	0	3	37
\$10,000 to \$19,999	162	48	11	0	36	258
\$20,000 to \$29,999	57	0	0	0	0	57
\$30,000 to \$39,999	59	0	15	0	0	73
\$40,000 to \$49,999	6	48	0	0	0	54
\$50,000 to \$59,999	10	5	1	0	5	22
\$60,000 to \$74,999	8	36	0	0	0	45
\$75,000 to \$99,999	3	3	0	0	2	8
\$100,000 to \$124,999	6	1	1	0	1	9
\$125,000 to \$149,999	9	7	0	0	1	17
\$150,000 to \$199,999	0	0	0	0	0	0
\$200,000 & Over	2	2	0	0	1	5
Total	354	152	30	0	49	584

Source: Ribbon Demographics; ESRI; Urban Decision Group

The following tables illustrate owner household income by household size for age 62 and older for 2010, 2013 and 2015 for the Jackson Site PMA:

Owner Age 62+ Households	2010 (Census)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	67	23	2	0	3	96
\$10,000 to \$19,999	334	50	13	0	0	397
\$20,000 to \$29,999	62	126	12	1	5	206
\$30,000 to \$39,999	78	265	19	0	0	361
\$40,000 to \$49,999	30	124	0	0	0	154
\$50,000 to \$59,999	33	135	4	0	8	180
\$60,000 to \$74,999	24	94	7	7	5	136
\$75,000 to \$99,999	27	82	4	1	9	123
\$100,000 to \$124,999	19	53	2	11	5	89
\$125,000 to \$149,999	13	25	0	1	7	46
\$150,000 to \$199,999	4	21	0	2	0	27
\$200,000 & Over	9	45	0	0	0	54
Total	699	1,042	61	24	42	1,869

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 62+ Households	2013 (Estimated)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	44	20	1	0	2	67
\$10,000 to \$19,999	309	60	17	0	2	388
\$20,000 to \$29,999	56	137	20	1	7	220
\$30,000 to \$39,999	63	271	21	0	0	354
\$40,000 to \$49,999	29	126	0	0	0	156
\$50,000 to \$59,999	27	160	7	1	11	206
\$60,000 to \$74,999	20	93	13	9	29	163
\$75,000 to \$99,999	19	77	6	3	7	112
\$100,000 to \$124,999	15	42	6	11	2	76
\$125,000 to \$149,999	12	24	2	1	7	45
\$150,000 to \$199,999	4	12	0	1	1	18
\$200,000 & Over	9	35	2	0	0	46
Total	605	1,057	94	27	67	1,850

Source: Ribbon Demographics; ESRI; Urban Decision Group

Owner Age 62+ Households	2015 (Projected)					
	1-Person	2-Person	3-Person	4-Person	5-Person+	Total
Less Than \$10,000	45	21	2	0	2	69
\$10,000 to \$19,999	312	59	19	0	1	391
\$20,000 to \$29,999	59	144	22	1	7	233
\$30,000 to \$39,999	63	272	23	0	0	359
\$40,000 to \$49,999	31	137	0	0	0	168
\$50,000 to \$59,999	28	163	7	2	11	211
\$60,000 to \$74,999	24	97	13	10	34	178
\$75,000 to \$99,999	22	86	6	3	7	124
\$100,000 to \$124,999	15	43	6	12	3	80
\$125,000 to \$149,999	12	24	2	0	7	46
\$150,000 to \$199,999	5	14	0	2	0	21
\$200,000 & Over	10	36	1	0	0	47
Total	627	1,096	103	30	71	1,927

Source: Ribbon Demographics; ESRI; Urban Decision Group

Overall, population and households have experienced positive growth since 2000. These trends are projected to be relatively stable through 2015, increasing by 5 (less than 0.1%) and 12 (0.1%), respectively, from 2013. Further, renter households ages 62 and older are projected to increase by 16 (2.8%) during the same time period. In addition, the subject project will continue to target one- to two-person households which comprise the majority of the senior renter households within the Site PMA. As such, the project will continue to accommodate the majority of the Site PMA's senior renter households based on size. The preceding factors will have a positive impact on the continued marketability of the subject site.

Data from the preceding tables is used in our demand estimates.

SECTION F - ECONOMIC TRENDS

1. LABOR FORCE PROFILE

The labor force within the Jackson Site PMA is based primarily in four sectors. Public Administration (which comprises 17.2%), Wholesale Trade, Retail Trade and Manufacturing comprise nearly 54% of the Site PMA labor force. Employment in the Jackson Site PMA, as of 2013, was distributed as follows:

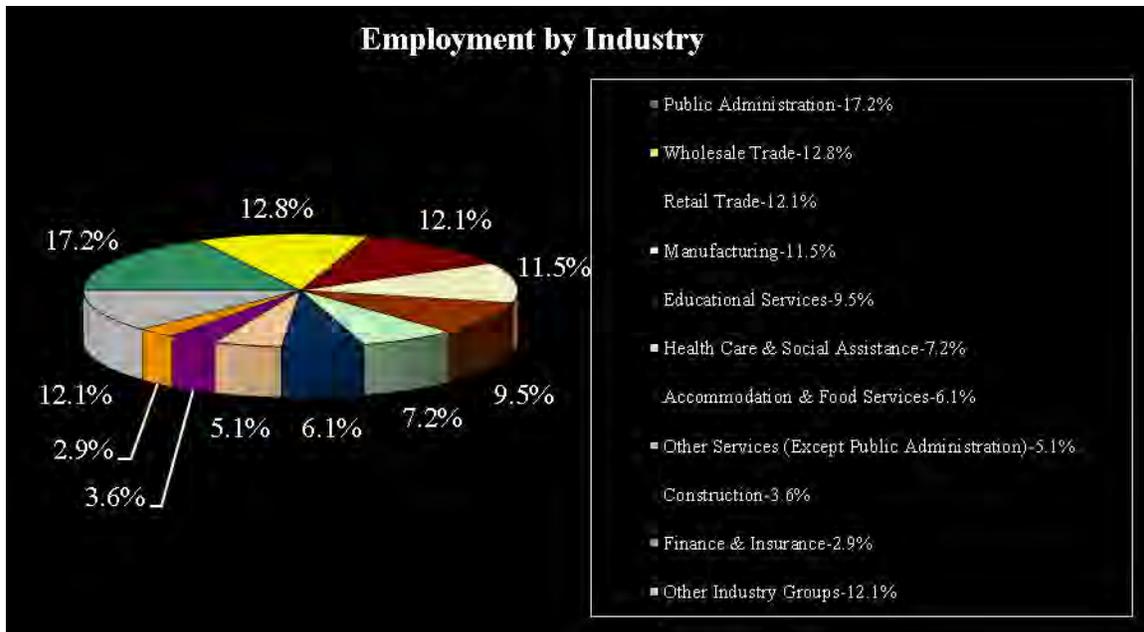
NAICS Group	Establishments	Percent	Employees	Percent	E.P.E.
Agriculture, Forestry, Fishing & Hunting	4	0.6%	12	0.2%	3.0
Mining	0	0.0%	0	0.0%	0.0
Utilities	5	0.7%	130	1.6%	26.0
Construction	59	8.3%	284	3.6%	4.8
Manufacturing	13	1.8%	917	11.5%	70.5
Wholesale Trade	28	3.9%	1,018	12.8%	36.4
Retail Trade	111	15.6%	959	12.1%	8.6
Transportation & Warehousing	23	3.2%	93	1.2%	4.0
Information	9	1.3%	147	1.8%	16.3
Finance & Insurance	40	5.6%	232	2.9%	5.8
Real Estate & Rental & Leasing	35	4.9%	161	2.0%	4.6
Professional, Scientific & Technical Services	29	4.1%	111	1.4%	3.8
Management of Companies & Enterprises	0	0.0%	0	0.0%	0.0
Administrative, Support, Waste Management & Remediation Services	34	4.8%	130	1.6%	3.8
Educational Services	18	2.5%	758	9.5%	42.1
Health Care & Social Assistance	35	4.9%	573	7.2%	16.4
Arts, Entertainment & Recreation	18	2.5%	114	1.4%	6.3
Accommodation & Food Services	43	6.0%	486	6.1%	11.3
Other Services (Except Public Administration)	125	17.6%	402	5.1%	3.2
Public Administration	62	8.7%	1,369	17.2%	22.1
Nonclassifiable	21	2.9%	62	0.8%	3.0
Total	712	100.0%	7,958	100.0%	11.2

*Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

E.P.E. - Average Employees Per Establishment

Note: Since this survey is conducted of establishments and not of residents, some employees may not live within the Site PMA.

These employees, however, are included in our labor force calculations because their places of employment are located within the Site PMA.



Typical wages by job category for the Atlanta-Sandy Springs-Marietta Metropolitan Statistical Area (MSA) are compared with those of Georgia in the following table:

Typical Wage by Occupation Type		
Occupation Type	Atlanta-Sandy Springs-Marietta MSA	Georgia
Management Occupations	\$114,140	\$106,520
Business and Financial Occupations	\$72,750	\$69,720
Computer and Mathematical Occupations	\$78,360	\$76,060
Architecture and Engineering Occupations	\$75,490	\$73,630
Community and Social Service Occupations	\$45,220	\$41,880
Art, Design, Entertainment and Sports Medicine Occupations	\$49,950	\$48,400
Healthcare Practitioners and Technical Occupations	\$73,720	\$69,400
Healthcare Support Occupations	\$28,190	\$26,160
Protective Service Occupations	\$34,390	\$33,690
Food Preparation and Serving Related Occupations	\$20,340	\$19,810
Building and Grounds Cleaning and Maintenance Occupations	\$24,840	\$23,550
Personal Care and Service Occupations	\$23,090	\$22,160
Sales and Related Occupations	\$39,920	\$35,520
Office and Administrative Support Occupations	\$34,920	\$33,110
Construction and Extraction Occupations	\$40,390	\$38,120
Installation, Maintenance and Repair Occupations	\$43,430	\$41,750
Production Occupations	\$32,030	\$31,340
Transportation and Moving Occupations	\$37,260	\$34,260

Source: U.S. Department of Labor, Bureau of Statistics

Most annual blue-collar salaries range from \$20,340 to \$49,950 within the MSA. White-collar jobs, such as those related to professional positions, management and medicine, have an average salary of \$82,892. While the subject project targets senior households, many of which will likely be retired, there appears to be a sufficient base of wage-appropriate occupations in the market from which individuals seeking employment could choose.

2. MAJOR EMPLOYERS

The ten largest employers within the Butts County area comprise a total of 2,720 employees. These employers are summarized as follows:

Employer Name	Business Type	Total Employed
Georgia Diagnostics & State Classification Prison	Corrections Facility	700
Butts County Board of Education	Education	600
American Woodmark Corporation	Manufacturer	450
Ready Pac Foods (formerly Salad Time, LLC)	Food Manufacturer	300
Scotts Miracle Grown	Manufacturer	150
Jones Petroleum	Manufacturer	150
LKQ	Manufacturer	120
Butts County Board of Commissioners	Government	100
Trucks, Inc.	Truckload carrier	100
Advanced Tabco	Manufacturer	50
Total		2,720

Source: Development Authority of Butts County Georgia (August 2013)

According to a representative with the Development Authority of Butts County, the economy is seeing growth in all industries.

According to the Butts County Industrial Development Authority website, Ready Pac Foods (formally known as Salad Time, LLC) announced in July 2013 an expansion that will bring approximately 140 new jobs to the Jackson area. This location, located in the Riverview Business Park, makes processed salad products.

In addition, InterGroup International, which recycles plastic, is investing \$15 million in an expansion to their location located off Highway 42 North, creating 50 new jobs by end of 2013.

It is also important to note that there have been no WARN notices of large scale layoffs and closures for the county since January 2012.

3. EMPLOYMENT TRENDS

The following tables were generated from the U.S. Department of Labor, Bureau of Labor Statistics and reflect employment trends of the county in which the site is located.

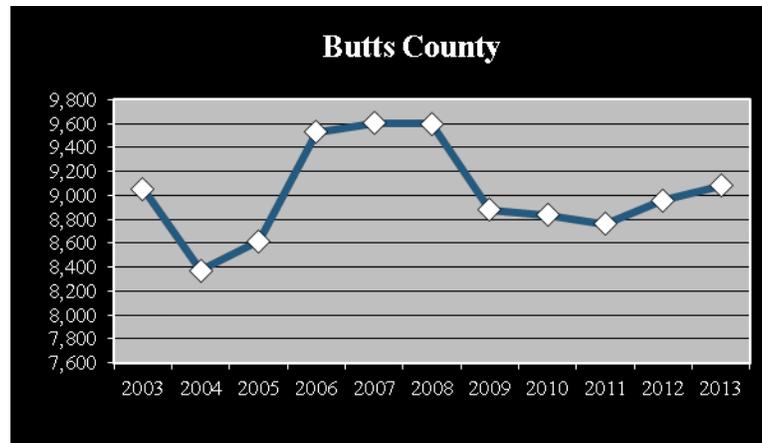
Excluding 2013, the employment base has declined by 6.7% over the past five years in Butts County, more than the Georgia state decline of 3.7%. Total employment reflects the number of employed persons who live within the county.

The following illustrates the total employment base for Butts County, Georgia and the United States.

Year	Total Employment					
	Butts County		Georgia		United States	
	Total Number	Percent Change	Total Number	Percent Change	Total Number	Percent Change
2003	9,058	-	4,173,787	-	137,936,674	-
2004	8,375	-7.5%	4,249,007	1.8%	138,386,944	0.3%
2005	8,617	2.9%	4,375,178	3.0%	139,988,842	1.2%
2006	9,529	10.6%	4,500,150	2.9%	142,328,023	1.7%
2007	9,607	0.8%	4,587,739	1.9%	144,990,053	1.9%
2008	9,601	-0.1%	4,540,706	-1.0%	146,397,529	1.0%
2009	8,877	-7.5%	4,289,819	-5.5%	146,068,824	-0.2%
2010	8,839	-0.4%	4,241,718	-1.1%	140,721,369	-3.7%
2011	8,761	-0.9%	4,295,113	1.3%	140,483,185	-0.2%
2012	8,961	2.3%	4,371,608	1.8%	141,748,955	0.9%
2013*	9,083	1.4%	4,399,866	0.6%	141,772,241	0.0%

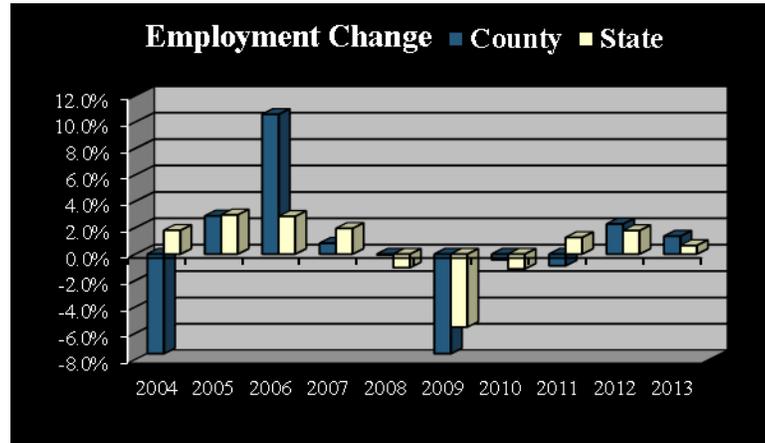
Source: Department of Labor; Bureau of Labor Statistics

*Through July



As the preceding illustrates, the Butts County employment base experienced positive growth between 2004 and 2007, then experienced a significant decline between 2008 and 2009, mirroring national trends during the recession that impacted much of the country. Since 2011, the employment base has consistently increased, indicating that the local economy is well within the stages of recovery.

The following table illustrates the percent change in employment for Butts County and Georgia.

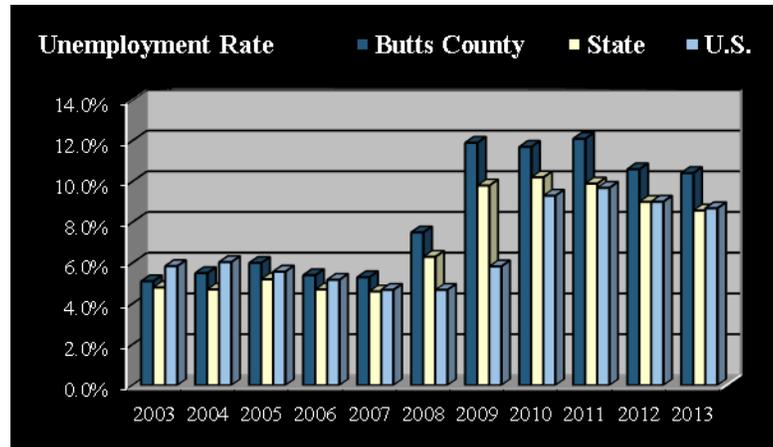


Unemployment rates for Butts County, Georgia and the United States are illustrated as follows:

Year	Unemployment Rate		
	Butts County	Georgia	United States
2003	5.1%	4.8%	5.8%
2004	5.5%	4.7%	6.0%
2005	6.0%	5.2%	5.6%
2006	5.4%	4.7%	5.2%
2007	5.3%	4.6%	4.7%
2008	7.5%	6.3%	4.7%
2009	11.9%	9.8%	5.8%
2010	11.7%	10.2%	9.3%
2011	12.1%	9.9%	9.7%
2012	10.6%	9.0%	9.0%
2013*	10.4%	8.6%	8.7%

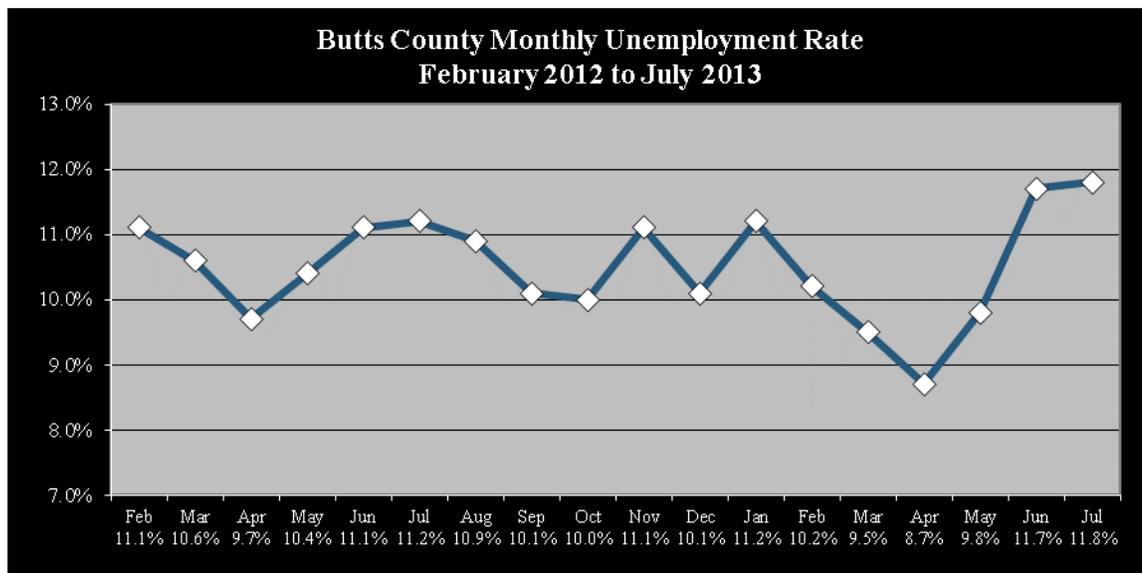
Source: Department of Labor, Bureau of Labor Statistics

*Through July



The unemployment rate in Butts County has ranged between 5.1% and 12.1%, above both state and national averages since 2005. The unemployment rate in Butts County increased by nearly seven percentage points between 2007 and 2011, indicating that the county's economy faced challenges similar to those by much of the nation during this time period. A positive indicator is that the unemployment rate has consistently decreased over the preceding three-year period, indicating that the local economy is well within the stages of recovery. However, it should be noted that the unemployment rate is averaging 10.4% through July 2013, which is still considered high.

The following table illustrates the monthly unemployment rate in Butts County for the most recent 18-month period for which data is currently available.



During the previous 18-month period, the monthly unemployment rate has slightly increased, from 11.1% reported in February 2012 to 11.8% reported in July 2013. Note that the monthly unemployment rate is at its highest since February 2012. This indicates the demand for affordable housing is likely high within the county.

In-place employment reflects the total number of jobs within the county regardless of the employee's county of residence. The following illustrates the total in-place employment base for Butts County.

In-Place Employment Butts County			
Year	Employment	Change	Percent Change
2002	5,324	-	-
2003	5,611	287	5.4%
2004	5,983	372	6.6%
2005	6,358	375	6.3%
2006	6,550	192	3.0%
2007	5,785	-765	-11.7%
2008	5,733	-52	-0.9%
2009	5,411	-322	-5.6%
2010	5,576	165	3.0%
2011	5,669	93	1.7%
2012*	5,531	-138	-2.4%

Source: Department of Labor, Bureau of Labor Statistics

Data for 2012, the most recent year that year-end figures are available, indicates in-place employment in Butts County to be 63.3% of the total Butts County employment. This means that Dooly County has more employed persons staying within the county for daytime employment than those who work outside of the county. As such, this should continue to contribute to the marketability of the subject development.

4. ECONOMIC FORECAST

According to a representative with the Development Authority of Butts County, the local economy has been experiencing growth since the nationwide recession. However, this recovery has been relatively slow, as the employment base did not begin to experience growth and the unemployment rate did not begin to decline within the county until 2011, where most of the country began to experience economic improvements starting in 2010. On a positive note, according to the Butts County Industrial Development Authority website, it is anticipated that 190 new jobs will be brought into the county, with investments totaling more than \$15 million. It is also important to note that there have been no additional WARN notices of large scale layoffs and closures for the county since January 2012.

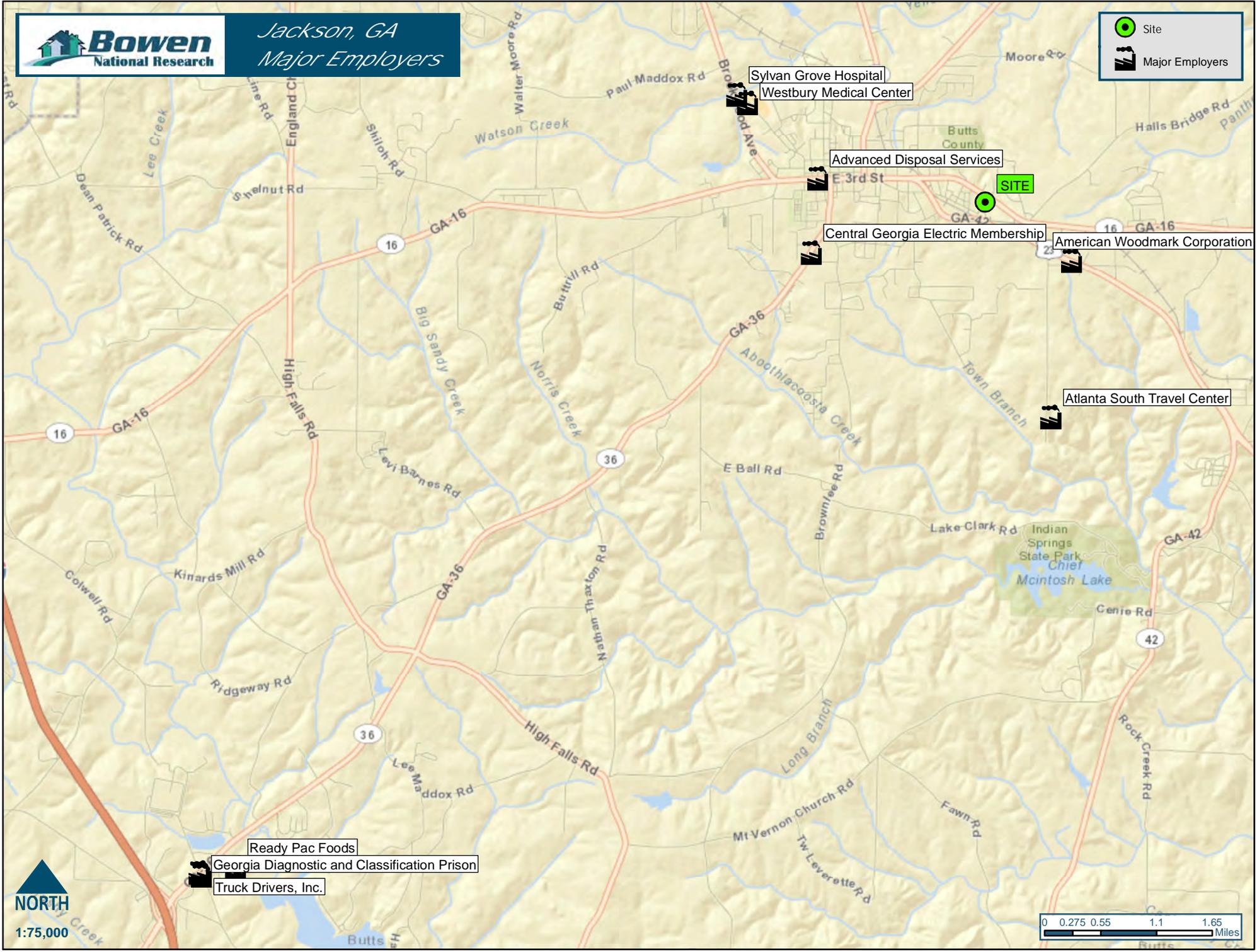
Considering that the unemployment rate is high at 10.4% through July 2013, the need for affordable housing is anticipated to remain strong. A high rate of unemployment contributes to the demand for affordable housing, as households with lower incomes due to unemployment or underemployment may not be able to afford their current housing costs. The subject site will provide a good quality housing option in an economy where lower-wage employees are most vulnerable.

A map illustrating notable employment centers is on the following page.

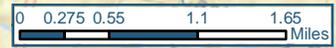


Jackson, GA Major Employers

 Site
 Major Employers




NORTH
1:75,000



SECTION G – PROJECT-SPECIFIC DEMAND ANALYSIS

The subject project currently operates under the income and rent requirements of the RD Section 515 and LIHTC programs. While the project will be renovated with a Tax-Exempt Bond financing, it is expected to follow the same household eligibility requirements that are currently in effect. Regardless, we have provided various demand scenarios that evaluate the depth of continued support for the project under the RD program and in the event the project had to operate exclusively under the LIHTC program.

1. DETERMINATION OF INCOME ELIGIBILITY

The number of income-eligible households necessary to support the project from the Site PMA is an important consideration in evaluating the subject project's potential.

Under the Low-Income Housing Tax Credit program, household eligibility is based on household income not exceeding the targeted percentage of Area Median Household Income (AMHI), depending upon household size.

The subject site is within Butts County, Georgia HUD Metro FMR Area, which has a four-person median household income of \$63,200 for 2013. The subject property will be restricted to senior households with incomes of up to 60% of AMHI. The following table summarizes the maximum allowable income by household size:

Household Size	Maximum Allowable Income
	60%
One-Person	\$26,580
Two-Person	\$30,360

a. Maximum Income Limits

The subject site's one- and two-bedroom units are expected to continue to house up to two-person senior households. As such, the maximum allowable income at the subject site is **\$30,360**.

b. Minimum Income Requirements

Leasing industry standards typically require households to have rent-to-income ratios of 27% to 40%. Pursuant to GDCA/GHFA market study guidelines, the maximum rent-to-income ratio permitted for family projects is 35%, while older person (age 55 and older) and elderly (age 62 and older) projects should utilize a 40% rent-to-income ratio.

The proposed Low-Income Housing Tax Credit units will have a lowest gross rent of \$581. Over a 12-month period, the minimum annual household expenditure (rent plus tenant-paid utilities) at the subject site is \$6,972.

Applying a 40% rent-to-income ratio to the minimum annual household expenditure yields a minimum annual household income requirement for the Tax Credit units of \$17,430 (\$20,430 for the subjects' one (1) two-bedroom unit).

The subject project is anticipated to retain RA on the 28 one-bedroom units post LIHTC renovations. Therefore, tenants will only be required to pay up to 30% of their adjusted gross income towards housing costs. As such, the subject project will effectively target households with as little as no income.

c. Income-Appropriate Range

Based on the preceding analyses, the income-appropriate range required for residency at the subject project are included in the following table:

Unit Type	Income Range	
	Minimum	Maximum
RD 515 (Limited To 60% Of AMHI) with RA	\$0	\$30,360
RD 515 (Limited To 60% Of AMHI) without RA	\$20,430	\$30,360
Overall as Proposed	\$0	\$30,360
Tax Credit (Limited To 60% Of AMHI)	\$17,430	\$30,360

RA – Rental Assistance

2. METHODOLOGY

Demand

The following are the demand components as outlined by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority:

- a. **Demand from New Household: New units required in the market area due to projected household growth from migration into the market and growth from existing households in the market should be determined.** *This should be determined using 2010 renter household data and projecting forward to the anticipated placed in service date of the project using a growth rate established from a reputable source such as ESRI or the State Data Center. This household projection must be limited to the target population, age and income group and the demand for each income group targeted (i.e. 50% of median income) must be shown separately. In instances where a significant number (more than 20%) of proposed units comprise three- and four-bedroom units, please refine the analysis by factoring in the number of large households (generally 5+ persons). A demand analysis that does not account for this may overestimate demand. Note that our calculations have been reduced to only include **renter-qualified** households.*



b. **Demand from Existing Households:** The second source of demand should be projected from:

- **Rent overburdened households, if any, within the age group, income groups and tenure (renters) targeted for the subject development.** *In order to achieve consistency in methodology, all analysts should assume that the rent overburdened analysis includes households paying greater than 35% (Family), or greater than 40% (Senior) of their incomes toward gross rent. Based on Table B25074 of the American Community Survey (ACS) 2006-2010 5-year estimates, approximately 52.1% to 57.2% (depending upon the targeted income level) of senior households within the market were rent overburdened. These households have been included in our demand analysis.*
- **Households living in substandard housing (i.e. units that lack complete plumbing or that are overcrowded).** *Households in substandard housing should be determined based on the age, the income bands, and the tenure that apply. The analyst should use his/her own knowledge of the market area and project to determine whether households from substandard housing would be a realistic source of demand. The analyst is encouraged to be conservative in his/her estimate of demand from both rent overburdened households and from those living in substandard housing. Based on Table B25016 of the American Community Survey (ACS) 2006-2010 5-year estimates, 6.5% of all senior households in the market were living in substandard housing that lacked complete indoor plumbing or in overcrowded (1.5+ persons per room) households.*
- **Elderly Homeowners likely to convert to renters:** *GDCA recognizes that this type of turnover is increasingly becoming a factor in the demand for elderly Tax Credit housing. This segment should not account for more than 2% of total demand. Due to the difficulty of extrapolating elderly (age 62 and older) owner households from elderly renter households, analyst may use the total figure for elderly households in the appropriate income band to derive this demand figure. Data from interviews with property managers of active projects regarding renters who have come from homeownership should be used to refine the analysis. A narrative of the steps taken to arrive at this demand figure must be included and any figure above 2% must be based on actual market conditions, as documented in the study.*

- c. **Other:** *DCA does not consider household turnover to be a source of market demand. However, if an analyst firmly believes that demand exists that is not captured by the above methods, he/she may use other indicators to estimate demand if they are fully justified (e.g. an analysis of an under built market in the base year). Any such additional indicators should be calculated separately from the demand analysis above. Such additions should be well documented by the analyst with documentation included in the Market Study.*

Net Demand

The overall demand components illustrated above are added together and the competitive supply of developments awarded and/or constructed from 2011 to the present is subtracted to calculate Net Demand. Vacancies in projects placed in service prior to 2011 which have not reached stabilized occupancy (i.e. at least 90% occupied) must also be considered as part of supply. **DCA requires analysts to include ALL projects that have been funded, are proposed for funding and/or received a bond allocation from DCA, in the demand analysis, along with ALL conventional rental properties existing or planned in the market as outlined above. Competitive units are defined as those units that are of similar size and configuration and provide alternative housing to a similar tenant population, at rent levels comparative to those proposed for the subject development.**

To determine the Net Supply number for each bedroom and income category, the analyst will prepare a Competitive Analysis Chart that will provide a unit breakdown of the competitive properties and list each unit type. All properties determined to be competitive with the proposed development will be included in the Supply Analysis to be used in determining Net Supply in the Primary Market Area. In cases where the analyst believes the projects are not competitive with the subject units, the analyst will include a detailed description for each property and unit type explaining why the units were excluded from the market supply calculation. (e.g., the property is on the periphery of the market area, is a market-rate property; or otherwise only partially compares to the proposed subject).

Within the Site PMA, there were no LIHTC properties that were funded and/or built during the projection period (2011 to current). Although Heritage Apartments (Map I.D. 3) is currently 71.2% occupied, as noted in Section H, this government-subsidized LIHTC property was above a 90.0% occupancy in March 2012. This project's recent vacancies are attributed, in part, to its age and management-related issues. As such, we did not include existing LIHTC units in our demand analysis.

The following is a summary of our demand calculations:

Demand Component	Percent Of Median Household Income			
	RD 515 60% AMHI with RA (\$0 - \$30,360)	RD 515 60% AMHI without RA (\$20,430 - \$30,360)	Overall As Proposed (\$0 - \$30,360)	Tax Credit Only (\$17,430 - \$30,360)
Demand From New Households (Age- And Income-Appropriate)	$354 - 352 = 2$	$57 - 54 = 3$	$354 - 352 = 2$	$125 - 123 = 2$
+				
Demand From Existing Households (Rent Overburdened)	$352 \times 57.2\% = 201$	$54 \times 52.9\% = 29$	$352 \times 57.2\% = 201$	$123 \times 52.1\% = 64$
+				
Demand From Existing Households (Renters In Substandard Housing)	$352 \times 6.5\% = 23$	$54 \times 6.5\% = 4$	$352 \times 6.5\% = 23$	$123 \times 6.5\% = 8$
=				
Demand Subtotal	226	36	226	74
+				
Demand From Existing Homeowners (Elderly Homeowner Conversion) Cannot exceed 2%	4	0	4	1
=				
Total Demand	230	36	230	75
-				
Supply (Current vacant units, under construction and/or newly constructed in the past two years)	0	0	0	0
=				
Net Demand	230	36	230	75
Subject Units	28	1	1*	29
Capture Rate	= 12.2% (0.0%*)	= 2.8%	= 0.4%*	= 38.7%

*Under this scenario, all units with Rental Assistance are assumed to be leasable. As such, all RA units have been excluded from this analysis.

If all units were vacated, with the preservation of RA, the subject project's overall required capture rate would be 12.6% ($29 / 230 = 12.6\%$). This indicates that there will be a sufficient base of senior households to draw support from if all current residents were displaced. However, as we anticipate all senior households to income-qualify following LIHTC renovations and none are expected to be displaced, the overall effective capture rate will be 0.4%.

In the unlikely event that the subject project was to lose RA and all units had to operate exclusively under the Tax Credit program, it is conservatively estimated that none of the current senior residents would qualify to reside at the subject project. In this scenario, the 29 units would have a required capture rate of 38.7%. This capture rate is considered slightly high, yet we believe that it is achievable, especially considering that there are no non-subsidized, age-restricted LIHTC projects within the market. Further, all affordable age-restricted projects in the market are 100.0% occupied and maintain wait lists. This indicates that pent-up demand exists for such housing.

Based on our survey of conventional apartments within the Jackson Site PMA, as well as the distribution of bedroom types in most rural markets, the estimated share of demand by bedroom type for apartments is distributed as follows:

Estimated Demand By Bedroom	
Bedroom Type	Percent
One-Bedroom	70%
Two-Bedroom	30%
Total	100.0%

Applying these shares to the income-qualified senior households yields demand and capture rates of the subject units by bedroom type as illustrated in the following table:

Bedroom Size (Share of Demand)	Target % of AMHI	Subject Units	Total Demand	Supply**	Net Demand	Capture Rate	Absorption	Average Market Rent***	Subject Rents
RD 515 One-Bedroom (70%)	60%	0*	161	0	161	0.0%*	N/A	N/A	\$515
RD 515 Two-Bedroom (30%)	60%	1	11	0	11	9.1%	2 to 3 Months	\$400	\$605
Tax Credit Only One-Bedroom (70%)	60%	28	53	0	53	52.8%	8 to 9 Months	N/A	\$515
Tax Credit Only Two-Bedroom (30%)	60%	1	11	0	11	9.1%	2 to 3 Months	\$400	\$605

*Under this scenario all one-bedroom units will continue to be occupied, resulting in an effective capture rate of 0.0%.

**Directly comparable units built and/or funded in the project market over the projection period.

***Average of non-subsidized collected rents identified within the market (Note that there were no non-subsidized one-bedroom units identified within the market).

N/A-Not Applicable

The effective capture rates by bedroom type with the preservation of Rental Assistance on the 28 one-bedroom units ranges from 0.0% to 9.1%, given that all one-bedroom units are currently occupied and the current tenants are anticipated to continue to income-qualify post renovations.

In the unlikely event the subject project had to operate exclusively under the LIHTC program and all residents were displaced, the capture rate for the subject's one-bedroom units is 52.8% and 9.1% for the subject's one (1) two-bedroom unit. These capture rates are considered low to high, yet are believed to be achievable considering the lack of available affordable age-restricted units in the market.

SECTION H – RENTAL HOUSING ANALYSIS (SUPPLY)

1. OVERVIEW OF RENTAL HOUSING

The distributions of the area housing stock within the Jackson Site PMA in 2010 and 2013 (estimated) are summarized in the following table:

Housing Status	2010 (Census)		2013 (Estimated)	
	Number	Percent	Number	Percent
Total-Occupied	7,985	84.4%	7,992	83.8%
Owner-Occupied	5,873	73.5%	5,819	72.8%
Renter-Occupied	2,112	26.5%	2,173	27.2%
Vacant	1,479	15.6%	1,542	16.2%
Total	9,464	100.0%	9,534	100.0%

Source: 2010 Census; ESRI; Urban Decision Group; Bowen National Research

Based on a 2013 update of the 2010 Census, of the 9,534 total housing units in the market, 16.2% were vacant. This is an increase of 63 vacant housing units, or 4.3%, since 2010, and could indicate a softening housing market. However, the vacancy status of the 1,542 units is estimated in the following table and illustrates that most vacant units are not long-term rentals:

Vacancy Status	Percent of Vacant Units
For Rent	24.3%
For Sale Only	15.0%
Rented/Sold, Not Occupied	4.1%
For Seasonal, recreational, or occasional use	33.7%
Other Vacant	22.9%

Source: U.S. Census Bureau, 2006-2010 American Community Survey (ACS)

As reported in the 2006-2010 ACS, 24.3% of the vacant housing units are long-term rentals. As the previous table indicates, the largest share of vacant units is classified as “For Seasonal, recreational, or occasional use”. Regardless, in order to determine if the overall vacancy rate increase is the reflection of a decline in long-term rental housing, we conducted a field survey of area apartments.

In addition, while we acknowledge that there are 2,173 renter-occupied units in the market, we believe that most of these rentals are located in non-conventional rental housing units including single-family/mobile home rentals, duplex, etc.

The estimated distribution of occupied housing by units in a structure and tenure is detailed in the following table:

Units in Structure	Owner		Renter	
	Number	Percent	Number	Percent
1, Detached	5,342	91.8%	1,121	51.6%
1, Attached	47	0.8%	174	8.0%
2 to 4	0	0.0%	309	14.2%
5 to 9	0	0.0%	109	5.0%
10 or more	0	0.0%	167	7.7%
Mobile Homes	413	7.1%	293	13.5%
Boat, RV, Vans	17	0.3%	0	0.0%
Total	5,819	100.0%	2,173	100.0%

Source: U.S. Census Bureau, 2006-2010 American Community Survey (ACS)

As the preceding table illustrates, over 87% of renter-occupied housing consists of single-family/mobile home and two to four-unit rentals, whereas only 7.7% consist of structures with 10 or more units. As such, this demonstrates that there is a lack of conventional rental housing units in the market. Therefore, the subject project will continue to provide a rental housing alternative that is currently lacking in the market.

Because of the rural nature of the market, we only identified and personally surveyed six conventional housing projects containing a total of 241 units within the Site PMA. This survey was conducted to establish the overall strength of the rental market and to identify those properties most comparable to the subject site. These rentals have a combined occupancy rate of 92.1%, a stable and good rate for rental housing. Among these projects, one is non-subsidized (market-rate) containing 42 units. This market-rate project 90.5% occupied. The remaining five projects contain 199 government-subsidized units, which are 92.5% occupied.

Project Type	Projects Surveyed	Total Units	Vacant Units	Occupancy Rate
Market-rate	1	42	4	90.5%
Tax Credit/Government-Subsidized	4	163	15	90.8%
Government-Subsidized	1	36	0	100.0%
Total	6	241	19	92.1%

As illustrated in the preceding table, all rental communities broken out by project type are maintaining stable and good occupancies, as none are lower than 90.5%. It should be noted that the 15 vacancies reported among the four surveyed Tax Credit/Government-Subsidized projects are located at Heritage Apartments (Map I.D. 3). According to management at this property, vacancies are due to previous management. It should also be noted that this project was 90.4% occupied in March 2012, based on historical data obtained by Bowen National Research. Considering that the remaining affordable rental projects are 100.0%, it can be concluded that vacancies are due to management deficiencies at Heritage Apartments and that pent-up demand likely exists for affordable housing in the market.

The Jackson apartment market offers a limited range of rental product, in terms of price point and quality. In fact, only one conventional non-subsidized market-rate project was identified within the Site PMA, as previously mentioned. As such, it was necessary to identify and survey non-subsidized (market-rate and Tax Credit) product outside of the Site PMA, but within the region. The four properties that offer market-rate units, Carrington Green (Map I.D. 904), Amber Chase (Map I.D. 906), Grier Manor (Map I.D. 908) and Holiday Cove (Map I.D. 910), were developed between 1987 and 2006. The three properties that offer non-subsidized Tax Credit units, Villas on Forsyth (Map I.D. 907), Grier Manor (Map I.D. 908) and Heritage at McDonough (Map I.D. 913), located outside of the Site PMA were built between 2005 and 2011. The four properties that offer market rate units comprise a total of 715 market rate units and have a combined occupancy rate of 95.1%, while the three properties that offer non-subsidized Tax Credit units consist of 189 Tax Credit units and have a combined occupancy rate of 100.0%. These high overall occupancy rates at these properties indicate that they have been well received within the region.

2. SUMMARY OF ASSISTED PROJECTS

There are a total of five federally subsidized and/or Tax Credit apartment developments in the Jackson Site PMA. These projects were surveyed in September 2013. They are summarized as follows:

Map I.D.	Project Name	Type	Year Built/Renovated	Total Units	Occup.	Gross Rent (Unit Mix)		
						One-Br.	Two-Br.	Three-Br.
1	Pepperton Villas (Site)	TAX & RD 515	1994	28	100.0%	\$556 - \$689 (28)	-	-
2	Mill Lake Apts.	RD 515	1987	36	100.0%	\$590 - \$705 (25)	\$666 - \$826 (11)	-
3	Heritage Apts.	TAX & RD 515	1985 / 2003	52	71.2%	\$521 - \$710 (12)	\$617 - \$833 (20)	\$674 - \$899 (20)
4	Brook Point Apts.	TAX & RD 515	1991	50	100.0%	\$521 - \$656 (46)	\$592 - \$742 (4)	-
6	Magnolia Grove	TAX & SEC 8	2007	33	100.0%	\$559 (33)	-	-
Total				199	92.5%			

The overall occupancy is 92.5% for these projects, a stable and good rate for affordable housing. As noted earlier in this section, the vacancies at Heritage Apartments (Map I.D. 3) are due to previous management. Considering that the remaining affordable rental communities are 100.0% occupied, demonstrates that the vacancies at Heritage Apartments are due to management deficiencies and illustrate that pent-up demand does exist for affordable housing in the market.

3. PLANNED MULTIFAMILY DEVELOPMENT

According to planning and building representatives of Butts County there are currently no multiunit rental housing projects planned or under construction within the Site PMA.

Building Permit Data

The following table illustrates single-family and multifamily building permits issued within Butts County for the past ten years:

Housing Unit Building Permits for Butts County:										
Permits	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Multifamily Permits	0	6	40	35	0	0	0	0	0	0
Single-Family Permits	286	283	213	176	137	67	10	9	5	7
Total Units	286	289	253	211	137	67	10	9	5	7

Source: SOCDS Building Permits Database at <http://socds.huduser.org/permits/index.html>

As the preceding table illustrates, there have been minimal multifamily building permits issued within Butts County since 2003 (note that none have been issued since 2007), which is not unusual within rural markets. Given that the majority of rental projects identified and surveyed in the market are 100.0% occupied and based on the limited number of multifamily building permits issued, it is likely that there is greater demand for additional rental housing units within the Site PMA.

4. SURVEY OF COMPARABLE/COMPETITIVE PROPERTIES

Given the lack of non-subsidized LIHTC properties within the Site PMA, we identified and surveyed three non-subsidized, age-restricted LIHTC projects located outside of the Site PMA, but within the region. These projects target senior households with incomes up to 30%, 50%, 54% and/or 60% of AMHI and are considered comparable. It should be noted that these projects are not considered competitive, as they derive demographic support from a different geographical area. As such, these projects have been included for comparison purposes only.

These three LIHTC projects and the subject development are summarized as follows:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Distance to Site	Waiting List	Target Market
Site	Pepperton Villas	1994 / 2014	29	100.0%	-	8 H.H.	Seniors 62+; 60% AMHI & RD 515
907	Villas on Forsyth	2009	33*	100.0%	23.2 Miles	15 H.H.	Seniors 55+; 50% & 60% AMHI
908	Grier Manor	2005	51*	100.0%	17.4 Miles	73 H.H.	Seniors 55+; 30%, 50% & 54%
913	Heritage at McDonough	2011	105	100.0%	18.1 Miles	None	Seniors 55+; 50% & 60% AMHI

OCC. - Occupancy

H.H. - Households

*Tax Credit units only

900 Map IDs are located outside of Site PMA

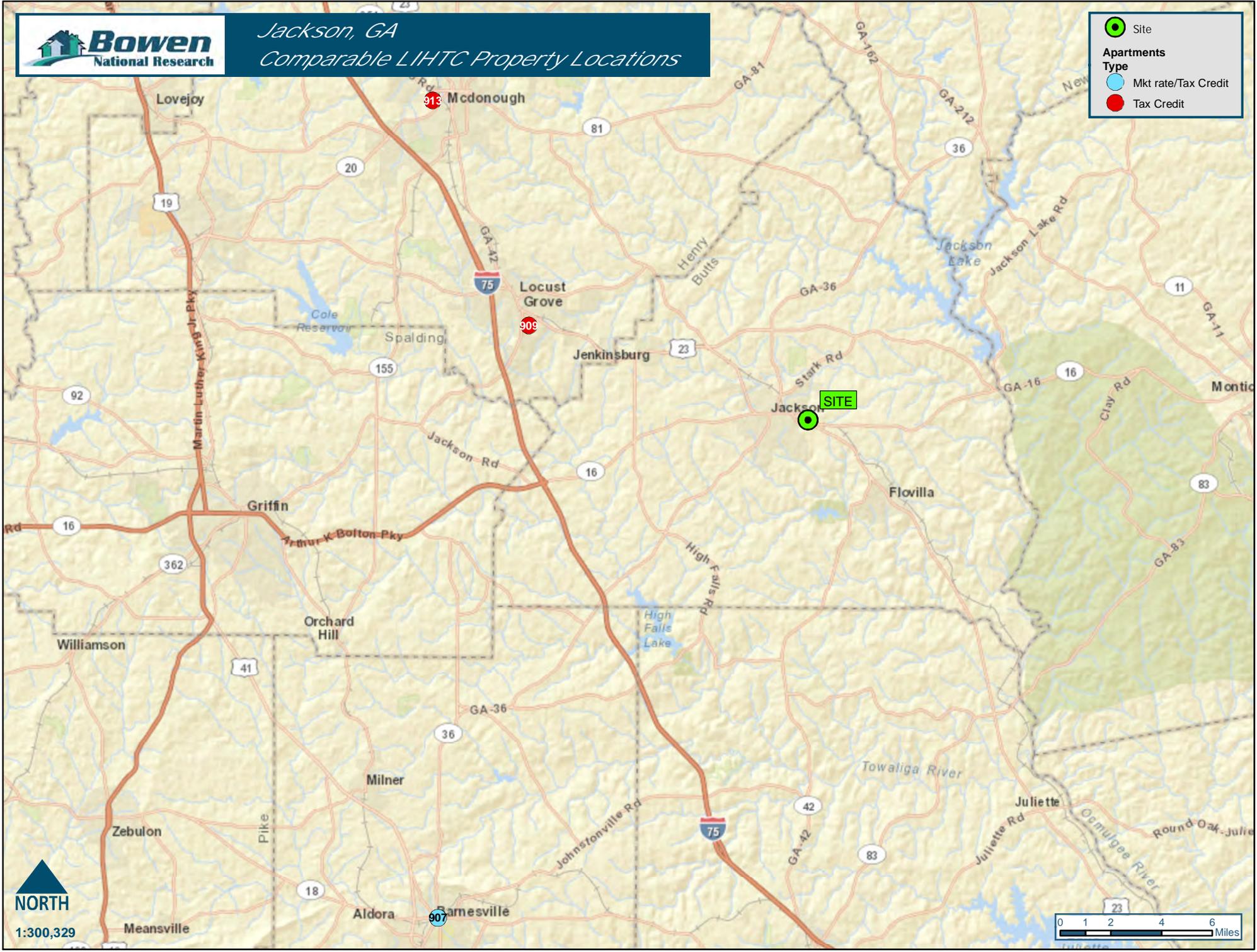
The three LIHTC projects have a combined occupancy rate of 100.0%, indicating pent-up demand exists for affordable housing in the region. It should be noted that there are no non-subsidized, age-restricted LIHTC projects within the market. As such, the subject project will continue to provide a rental housing alternative to low-income seniors which is currently underserved in the market.

The map on the following page illustrates the location of the comparable Tax Credit properties relative to the subject site location.



*Jackson, GA
Comparable LIHTC Property Locations*

● Site
● Apartments
Type
● Mkt rate/Tax Credit
● Tax Credit



NORTH
1:300,329

0 1 2 4 6 Miles

The gross rents for the competing projects and the proposed rents at the subject site, as well as their unit mixes and vacancies by bedroom are listed in the following table:

Map I.D.	Project Name	Gross Rent/Percent of AMHI (Number of Units/Vacancies)		Rent Special
		One-Br.	Two-Br.	
Site	Pepperton Villas	\$581/60% (28)	\$681/60% (1)	-
907	Villas on Forsyth	\$580/50% (6/0) \$670/60% (8/0)	\$689/50% (8/0) \$761/60% (11/0)	None
908	Grier Manor	\$445/30% (4/0) \$723/50% (16/0) \$778/54% (6/0)	\$536/30% (3/0) \$869/50% (16/0) \$936/54% (6/0)	None
913	Heritage at McDonough	\$656/50% (8/0) \$786/60% (43/0)	\$793/50% (8/0) \$949/60% (46/0)	None

900 Map IDs are located outside of the Site PMA

The proposed subject gross rents, ranging from \$581 to \$681, will be the lowest gross LIHTC rents targeting similar income levels in the region. Considering that all comparable LIHTC projects are 100.0% occupied, demonstrate that the subject's proposed rents are appropriately positioned within the region. Regardless, the subject project is anticipated to retain Rental Assistance on 28 of the 29 total units, requiring residents to pay up to 30% of their gross adjusted incomes towards housing costs. As such, the subject project will continue to remain a substantial value within the region. It should also be noted that the subject project will be the only age-restricted LIHTC project in the market. As such, this will provide the subject project with a marketing advantage, as it will continue to offer an affordable housing alternative for senior households that is not readily available in the market.

HOUSING CHOICE VOUCHER HOLDERS

According to a representative with the Georgia Department of Community Affairs-Rental Assistance Division-Eastman Office there are approximately 16 Housing Choice Voucher holders within the housing authority's jurisdiction in Butts County, and no one currently on the waiting list for additional Vouchers. The waiting list is closed indefinitely. Annual turnover of households in the Voucher program is virtually non-existent. This reflects the continuing need for Housing Choice Voucher assistance.

The three comparable non-subsidized LIHTC projects within the region accept Housing Choice Vouchers. The following table summarizes the properties that accept Housing Choice Vouchers, as well as the approximate number of units occupied by residents utilizing Housing Choice Vouchers:

Map I.D.	Project Name	Total Units	Occupancy Rate	Number of Vouchers
907	Villas on Forsyth	33*	100.0%	2
908	Grier Manor	51*	100.0%	3
913	Heritage at McDonough	105	100.0%	N/A
Total		189	100.0%	5

900 Map IDs are located outside of the Site PMA

*Non-subsidized Tax Credit units only

N/A - Not Available

As the preceding table illustrates, of the two LIHTC projects that commented on having Housing Choice Voucher holders, Villas on Forsyth (Map I.D. 907) and Grier Manor (Map I.D. 908), five are occupied by such residents. This yields a 6.0% Voucher holder occupancy rate at these two LIHTC projects. This indicates that 94.0% of the two comparable LIHTC projects in the region are occupied by tenants which are not currently receiving rental assistance. Given that these comparable LIHTC projects are 100.0% occupied, illustrate that the gross rents being charged at these projects are achievable.

The following table outlines the HUD 2013 Fair Market Rents for Butts County, Georgia:

Bedroom Type	Fair Market Rents	Proposed Tax Credit Gross Rents (AMHI)
One-Bedroom	\$548	\$581
Two-Bedroom	\$742	\$681

As the preceding table illustrates, the proposed gross one-bedroom rent is slightly above the current Fair Market Rent for a one-bedroom unit, whereas the proposed gross two-bedroom rent is below the current Fair Market Rent for a two-bedroom unit. Therefore, the majority of the subject units will be able to accommodate Voucher holders if tenants were willing to pay the difference between the current Fair Market Rent and the proposed gross rent for a one-bedroom unit in the unlikely event the subject project had to operate exclusively under LIHTC guidelines. Nonetheless, the subject project is expected to retain RA on 28 of the 29 total units and will continue to represent a substantial value within the market. This has been considered in our absorption estimates.

The table on the following page illustrates the weighted average collected rents of the three comparable LIHTC projects by bedroom type.

Weighted Average Collected Rent Of Comparable LIHTC Units	
One-Br. (AMHI)	Two-Br. (AMHI)
\$636 (54% & 60%)	\$739 (54% & 60%)

The rent advantage for the subject units is calculated as follows (average weighted market rent – proposed rent) / proposed rent:

Bedrooms	Weighted Avg. Rent (AMHI)	Proposed Rent (% AMHI)	Difference	Proposed Rent (AMHI)	Rent Advantage
One-Br.	\$636 (54% & 60%)	- \$515 (60%)	\$121	/ \$515 (60%)	23.5%
Two-Br.	\$739 (54% & 60%)	- \$605 (60%)	\$134	/ \$605 (60%)	22.1%

As the preceding table illustrates, the subject's proposed rents represent rent advantages. Regardless, as noted throughout this report, the subject project is anticipated to retain RA on 28 of the 29 total units, requiring tenants to pay up to 30% of their gross adjusted incomes towards housing costs. As such, the subject project will continue to represent a substantial value within the market.

Please note that these are weighted averages of *collected* rents and do not reflect differences in the utility structure that gross rents include. Therefore caution must be used when drawing any conclusions. A complete analysis of the achievable market rent by bedroom type and the rent advantage of the proposed development's collected rents are available in Addendum E of this report.

The unit sizes (square footage) and number of bathrooms included in each of the different LIHTC unit types offered in the market are compared with the subject development in the following table:

Map I.D.	Project Name	Square Footage	
		One-Br.	Two-Br.
Site	Pepperton Villas	650	825
907	Villas on Forsyth	850	965
908	Grier Manor	655	908
913	Heritage at McDonough	722	1,103
Map I.D.	Project Name	Number of Baths	
		One-Br.	Two-Br.
Site	Pepperton Villas	1.0	-
907	Villas on Forsyth	1.0	1.0
908	Grier Manor	1.0	2.0
913	Heritage at McDonough	1.0	2.0

900 Map IDs are located outside of the Site PMA

The subject site will continue to offer smaller unit sizes, in terms of square footage and bathrooms offered, relative to the comparable LIHTC projects within the region. Given that the subject project is 100.0% occupied, demonstrates that the unit sizes are appropriate for an age-restricted project. It should be noted that there are no non-subsidized, age-restricted LIHTC projects within the market. As such, the subject site will continue to provide an affordable housing alternative to low-income seniors that is not readily available. This will provide the subject with a marketing advantage.

The table on the following page compares the amenities of the subject development with the other LIHTC projects in the region.

COMPARABLE PROPERTIES AMENITIES - JACKSON, GEORGIA

MAP ID	APPLIANCES						UNIT AMENITIES										OTHER			
	RANGE	REFRIGERATOR	ICEMAKER	DISHWASHER	DISPOSAL	MICROWAVE	CENTRAL AC	WINDOW AC	FLOOR COVERING	WASHER AND DRYER	W/D HOOKUP	PATIO/DECK/BALCONY	CEILING FAN	BASEMENT	INTERCOM	SECURITY		WINDOW TREATMENTS	E-CALL BUTTONS	PARKING
SITE	X	X		X			X		C		X	X	X				B		S	Storage
907	X	X		X	X		X		C		X	X	X				B		S	
908	X	X	X	X	X		X		C		X	S					B		S	
913	X	X		X	X	X	X		C	X	X	X	X				B		S	

MAP ID	PROJECT AMENITIES															OTHER			
	POOL	ON-SITE MGMT	LAUNDRY	CLUB HOUSE	COMMUNITY SPACE	FITNESS CENTER	JACUZZI / SAUNA	PLAYGROUND	TENNIS COURT	SPORTS COURT	STORAGE	ELEVATOR	SECURITY GATE	COMPUTER LAB	LIBRARY		PICNIC AREA	SOCIAL SERVICES	BUSINESS CENTER
SITE		X	X		X											X			
907		X			X								X			X			Horseshoes
908		X			A	X						X				X			Shuffleboard/Salon` Community Garden
913	X	X			A	X						X	X	X		X			Beauty/Barber Shop

◆ Senior Restricted
■ Market-rate
■ Market-rate/Tax Credit
■ Market-rate/Government-subsidized
■ Market-rate/Tax Credit/Government-subsidized
■ Tax Credit
■ Tax Credit/Government-subsidized
■ Government-subsidized

X - All Units	
S - Some Units	
O - Optional	
Window Treatments	
B - Blinds	C - Curtains
D - Drapes	

Parking	
A - Attached	C - Carport
D - Detached	O - On Street
S - Surface	G - Parking Garage
(o) - Optional	(s) - Some

Sports Courts	
B - Basketball	D - Baseball Diamonds
P - Putting Green	T - Tennis
V - Volleyball	X - Multiple

Floor Covering	
C - Carpet	H - Hardwood
V - Vinyl	W - Wood
T - Tile	

Community Space	
A - Activity Room	L - Lounge/Gathering Room
T - Training Room	

Once renovations are complete and additions are made, the subject's amenity package will be generally similar to comparable LIHTC projects within the region. In regards to unit amenities, all comparable LIHTC projects offer a garbage disposal, which is lacking at the subject project. In regards to project amenities, the subject project does not seem to lack any amenities that would have an adverse impact on the marketability of a senior project. This is further evidenced by the subject's 100.0% occupancy and wait list. It should be noted that the subject project will be the only age-restricted LIHTC project in the market. As such, the subject project will continue to provide a rental housing alternative to low-income seniors which is currently underserved in the market. This will provide the subject with a market advantage.

Based on our analysis of the proposed rents, unit sizes (square footage), amenities, location, quality and occupancy rates of the existing low-income properties within the region, it is our opinion that the subject development will be competitive. Further, 28 of the 29 total units are anticipated to retain Rental Assistance, requiring residents to pay up to 30% of their gross adjusted incomes towards housing costs. As such, the subject units will remain a substantial value within the market. This has been considered in our absorption projections.

Considering that the three comparable LIHTC projects are located outside of the market, the subject project will not have an impact on the comparable LIHTC project's occupancy.

One page profiles of the Comparable/Competitive Tax Credit properties are included in Addendum B of this report.

5. SINGLE-FAMILY HOME IMPACT

According to ESRI, the median home value within the Site PMA was \$95,589. At an estimated interest rate of 4.7% and a 30-year term (and 95% LTV), the monthly mortgage for a \$95,589 home is \$586, including estimated taxes and insurance.

Buy Versus Rent Analysis	
Median Home Price - ESRI	\$95,589
Mortgaged Value = 95% of Median Home Price	\$90,810
Interest Rate - Bankrate.com	4.7%
Term	30
Monthly Principal & Interest	\$469
Estimated Taxes and Insurance*	\$117
Estimated Monthly Mortgage Payment	\$586

*Estimated at 25% of principal and interest

In comparison, the proposed collected Tax Credit rents range from \$515 to \$605. Therefore, the cost of a monthly mortgage for a typical home in the area is \$71 greater than the cost of renting the majority of the units at the subject site. Therefore, it is not likely that current and the majority of potential renters in the area would be able to afford the monthly payments required to own a home or would be able to afford the down payment on such a home. In fact, as the subject project targets seniors, we expect some support from elderly homeowners downsizing from their homes and seeking a maintenance free housing alternative. Therefore, we do not anticipate any competitive impact on or from the homebuyer market.

SECTION I – ABSORPTION & STABILIZATION RATES

According to management, the subject project is currently 100.0% occupied and maintains a collective wait list of up to eight households for the next available unit. Current residents will be relocated temporarily; however, they will not be permanently displaced. Therefore, few if any, of the subject units will have to be re-rented immediately following renovations. However, for the purposes of this analysis, we assume that 28 of the 29 subject units will be vacated and that all units will have to be re-rented (assuming RA is preserved on 28 units). We also assume the absorption period at the site begins as soon as the first renovated units are available for occupancy.

It is our opinion that the 29 units at the subject site will reach a stabilized occupancy of 93.0% within approximately five months following renovations, assuming total displacement of existing tenants. This absorption period is based on an average absorption rate of approximately five units per month. Our absorption projections assume that no other projects targeting a similar income group will be developed during the projection period and that the renovations will be completed as outlined in this report. These absorption projections also assume that RA on 28 of the 29 total units will be maintained.

Should Rental Assistance not be secured and the project had to operate exclusively under the LIHTC program, the 29 units at the subject site would likely have an extended absorption period of approximately eight to nine months if all units were vacated simultaneously and had to be re-rented. This absorption projection is based on an average absorption rate of approximately three units per month. Although, the required overall capture rate of 38.7% is considered relatively high, it is believed to be achievable considering the lack of available affordable age-restricted units in the market. However, while it is possible the subject project may experience an extended absorption period if RA was lost and all units had to operate exclusively under the LIHTC program and all units were vacated simultaneously, it is unlikely that this scenario would occur. Therefore, in reality the subject project will only have to fill units as they become vacant through typical monthly turnover (one to two units per month in most rural markets). Under this more likely scenario, the market should be able to adequately absorb any vacancies that materialize at the subject project.

In reality, the absorption period for this project will be less than two months as most tenants are expected to remain at the project and continue to pay up to 30% of their adjusted gross income towards housing costs.

SECTION J – INTERVIEWS

The following are summaries of interviews conducted with various local sources knowledgeable of the local housing market:

Joy Shirley, Director of the Southern Crescent Area Agency on Aging, explained that there is a definite demand for additional affordable housing for seniors within the Jackson/Butts County area. The existing affordable communities in the area are typically 100.0% occupied with wait lists and the existing market-rate communities are unaffordable to many of the senior residents.

Brenda Curry, Office Director with the Georgia Department of Community Affairs' Rental Assistance Division, stated that there is a huge need for affordable housing in the Middle Georgia Region. Due to recent budget cuts, they have closed all waiting lists in the counties that the Eastman Office serves, and are not maintaining waiting lists until they receive more funding. Ms. Curry stated that they are not sure they will have the funding to pay for the vouchers that are already in use. The Department of Justice was awarded a settlement from HUD to distribute Housing Choice Vouchers (HCV) to the many individuals that are due to be released from state mental hospitals because of their decrease in funding. Any future available funding allotted to the Georgia Department of Community Affairs for the HCV Program will go towards assistance for this population. The government is also cutting more of the Eastman Offices administration funding and they might have to use some of the remaining administration funding to pay for the current HCV that they have issued.

SECTION K – CONCLUSIONS & RECOMMENDATIONS

Based on the findings reported in our market study, it is our opinion that a market will continue to exist for the 29-unit Pepperton Villas, assuming it is renovated as detailed in this report. Changes in the project's scope of renovations or renovation completion date may alter these findings.

The subject project is currently 100.0% occupied with a collective wait list of up to eight households. As 28 of the 29 units are anticipated to retain Rental Assistance, we expect all current tenants to remain at the subject project following Tax Credit renovations. As such, the "effective" capture rate for the subject development is 0.4%. With the preservation of Rental Assistance, the project will remain a substantial value within the market.

Given that the majority of all rental communities identified and surveyed within the market (including the subject site) are 100.0% occupied, illustrates that the subject project will continue to offer an affordable housing alternative to low-income households that is in high demand within the Jackson Site PMA. Further, the subject project will be the only LIHTC project to offer modernized, affordable age-restricted units in the market. This will provide the subject with a marketing advantage, as it will continue to provide an affordable housing alternative to low-income seniors that is currently lacking in the market.

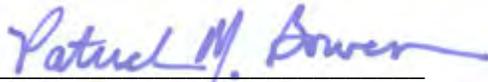
In the unlikely event Rental Assistance is lost and the subject project had to operate exclusively under the LIHTC program, it would likely experience an extended absorption period of eight to nine months. This is based on the fact that the required capture rate for the subject project in this unlikely scenario will be 38.7%. Although this capture rate is considered relatively high, we believe it is achievable considering the lack of available affordable age-restricted units in the market.

Regardless, the subject project is anticipated to retain RA on 28 of the 29 total units which will continue to require tenants to pay up to 30% of their adjusted gross income towards housing costs. Based on the preceding analysis and information provided throughout this report, we have no recommendations or suggested modifications for the subject project at this time.

SECTION L - SIGNED STATEMENT

I affirm that I have made a physical inspection of the market area and the subject property and that information has been used in the full study regarding the need and demand for new rental units. To the best of my knowledge, the market can support the demand shown in the study. I understand that any misrepresentation of this statement may result in the denial of further participation in the Georgia Department of Community Affairs rental housing programs. I also affirm that I have no interest in the project or any relationship with the ownership entity and my compensation is not contingent on this project being funded. This report was written in accordance with my understanding of the GA-DCA market study manual and GA-DCA Qualified Action Plan.

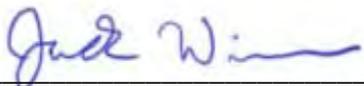
Certified:



Patrick Bowen
President/Market Analyst
Bowen National Research
155 E. Columbus St., Suite 220
Pickerington, OH 43147
(614) 833-9300
patrickb@bowennational.com
Date: September 20, 2013



Marlon Boone
Market Analyst
marlonb@bowennational.com
Date: September 20, 2013



Jack Wiseman
Market Analyst
jackw@bowennational.com
Date: September 20, 2013

SECTION M – MARKET STUDY REPRESENTATION

The Georgia Department of Community Affairs (DCA) may rely on the representation made in the market study and that the market study is assignable to other lenders that are parties to the DCA loan transaction.

SECTION N - QUALIFICATIONS

The Company

Bowen National Research employs an expert staff to ensure that each market study is of the utmost quality. Each staff member has hands-on experience evaluating sites and comparable properties, analyzing market characteristics and trends, and providing realistic recommendations and conclusions. The Bowen National Research staff has the expertise to provide the answers for your development.

The Staff

Patrick Bowen is the President of Bowen National Research. He has prepared and supervised thousands of market feasibility studies for all types of real estate products, including affordable family and senior housing, multifamily market-rate housing and student housing, for 15 years. He has also prepared various studies for submittal as part of HUD 221(d)(3) & (4), HUD 202 developments and applications for housing for Native Americans. He has also conducted studies and provided advice to city, county and state development entities as it relates to residential development, including affordable and market rate housing, for both rental and for-sale housing. Mr. Bowen has worked closely with many state and federal housing agencies to assist them with their market study guidelines. Mr. Bowen has his bachelor's degree in legal administration (with emphasis on business and law) from the University of West Florida.

Benjamin J. Braley, Market Analyst, has conducted market research for over six years in more than 550 markets throughout the United States. He is experienced in preparing feasibility studies for a variety of applications, including those that meet standards required by state agency and federal housing guidelines. Additionally, Mr. Braley has analyzed markets for single-family home developments, commercial office and retail space, student housing properties and senior housing (i.e. nursing homes, assisted living, continuing care retirement facilities, etc.). Mr. Braley is a member of the National Council of Housing Market Analysts (NCHMA) and graduated from Otterbein College with a bachelor's degree in Economics.

Jack Wiseman, Market Analyst, with Bowen National Research, has conducted extensive market research in over 200 markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends, economic characteristics and a wide range of issues impacting the viability of real estate development. He has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, retail and office establishments, educational facilities, marinas and a variety of senior residential alternatives. Mr. Wiseman has a Bachelor of Arts degree in Economics from Miami University.

Craig Rupert, Market Analyst with Bowen National Research, has conducted market research in both urban and rural markets throughout the United States. He provides thorough evaluation of site attributes, area competitors, market trends and economic characteristics. Specifically, he has evaluated market conditions for a variety of real estate alternatives, including affordable and market-rate apartments, Indian housing, senior rental housing facilities and student housing facilities. Mr. Rupert has a Bachelor of Science degree in Hospitality Management from Youngstown State University.

Heather Moore, Market Analyst, has been with Bowen National Research since the fall of 2010. She has evaluated the rental market in cities throughout the United States and is able to provide detailed site-specific analysis. Ms. Moore has a Bachelors of Arts in Marketing from Urbana University.

Greg Gray, Market Analyst, has more than twelve years of experience conducting site-specific analysis in markets throughout the country. He is especially trained in the evaluation of condominium and senior living developments. Mr. Gray has the ability to provide detailed site-specific analysis as well as evaluate market and economic trends and characteristics.

Christine Atkins, Market Analyst, has more than three years of experience in the property management industry and has managed a variety of rental housing types. With experience in conducting site-specific analysis, she has the ability to analyze market and economic trends and conditions. Ms. Atkins holds a Bachelor of Arts in Communication from the University of Cincinnati.

Lisa Wood, Market Analyst, has conducted site-specific analyses in both rural and urban markets throughout the country. She is also experienced in the day-to-day operation and financing of Low-Income Housing Tax Credit and subsidized properties, which gives her a unique understanding of the impact of housing development on current market conditions.

Chuck Ewing, Market Analyst, has been conducting site-specific analysis throughout the United States since 2009. He has experience in the evaluation of a variety of real estate developments that include affordable and market-rate apartments, senior living facilities, student housing, supportive and disabled veteran housing, farm worker housing and regional rental supply analysis. Mr. Ewing has a Bachelor of Arts degree in Economics from the Ohio State University.

Marlon Boone, Market Analyst, has conducted site-specific analyses in both metro and rural areas throughout the country. He is familiar with multiple types of rental housing programs, the day-to-day interaction with property managers and leasing agents and the collection of pertinent property details. Mr. Boone graduated from The Ohio State University with a Bachelor of Science in City and Regional Planning, with a concentration in Housing, Development and Real Estate.

Amy Tyrrell is a Project Director for Bowen National Research and is based out of Washington, DC. She has 16 years experience in the real estate and construction industries, with 11 years specializing in the research field. She has researched, analyzed, and prepared reports on a variety of trends, industries, and property types, including industrial, office, medical office, multifamily apartments and condominiums, and senior housing. Prior to her focus on research, Ms. Tyrrell performed financial analysis for retail developments throughout the United States. She holds a Masters in Business Administration with concentrations in real estate and marketing from the University of Cincinnati and a Bachelor of Arts in economics with a minor in mathematics from Smith College.

Stephanie Viren is the Research Director at Bowen National Research. Ms. Viren focuses on collecting detailed data concerning housing conditions in various markets throughout the United States. Ms. Viren has extensive interviewing skills and experience and also possesses the expertise necessary to conduct surveys of diverse pools of respondents regarding population and housing trends, housing marketability, economic development and other socioeconomic issues relative to the housing industry. Ms. Viren's professional specialty is condominium and senior housing research. Ms. Viren earned a Bachelor of Arts in Business Administration from Heidelberg College.

Desireé Johnson is the Field Support Coordinator at Bowen National Research. Ms. Johnson is involved in the day-to-day management of the field support department, as well as preparing jobs for field and phone analysis. She has been involved in extensive market research in a variety of project types for more than five years. Ms. Johnson has the ability to research, find, analyze and manipulate data in a multitude of ways. Ms. Johnson has an Associate of Applied Science in Office Administration from Columbus State Community College.

June Davis, Office Manager of Bowen National Research, has 24 years experience in market feasibility research. Ms. Davis has overseen production on over 15,000 market studies for projects throughout the United States.

ADDENDUM A: FIELD SURVEY OF CONVENTIONAL RENTALS

JACKSON, GEORGIA

The following section is a field survey of conventional rental properties. These properties were identified through a variety of sources including area apartment guides, yellow page listings, government agencies, the Chamber of Commerce, and our own field inspection. The intent of this field survey is to evaluate the overall strength of the existing rental market, identify trends that impact future development, and identify those properties that would be considered most comparable to the subject site.

The field survey has been organized by the type of project surveyed. Properties have been color coded to reflect the project type. Projects have been designated as market-rate, Tax Credit, government-subsidized, or a combination of the three project types. The field survey is organized as follows:

- A color-coded map indicating each property surveyed and the project type followed by a list of properties surveyed.
- Properties surveyed by name, address, telephone number, project type, year built or renovated (if applicable), number of floors, total units, occupancy rate, quality rating, rent incentives, and Tax Credit designation. Housing Choice Vouchers and Rental Assistance are also noted here. Note that projects are organized by project type.
- Distribution of non-subsidized and subsidized units and vacancies in properties surveyed.
- Listings for unit and project amenities, parking options, optional charges, utilities (including responsibility), and appliances.
- Collected rent by unit type and bedrooms.
- Unit size by unit type and bedrooms.
- Calculations of rent per square foot (all utilities are adjusted to reflect similar utility responsibility). Data is summarized by unit type.
- An analysis of units, vacancies, and median rent. Where applicable, non-subsidized units are distributed separately.
- An analysis of units added to the area by project construction date and, when applicable, by year of renovation.
- Aggregate data and distributions for all non-subsidized properties are provided for appliances, unit amenities and project amenities.

- A rent distribution is provided for all market-rate and non-subsidized Tax Credit units by unit type. Note that rents are adjusted to reflect common utility responsibility.
- Aggregation of projects by utility responsibility (market-rate and non-subsidized Tax Credit only).
- A utility allowance worksheet.

Note that other than the property listing following the map, data is organized by project types. Market-rate properties (blue designation) are first followed by variations of market-rate and Tax Credit properties. Non-government subsidized Tax Credit properties are red and government-subsidized properties are yellow. See the color codes at the bottom of each page for specific project types.

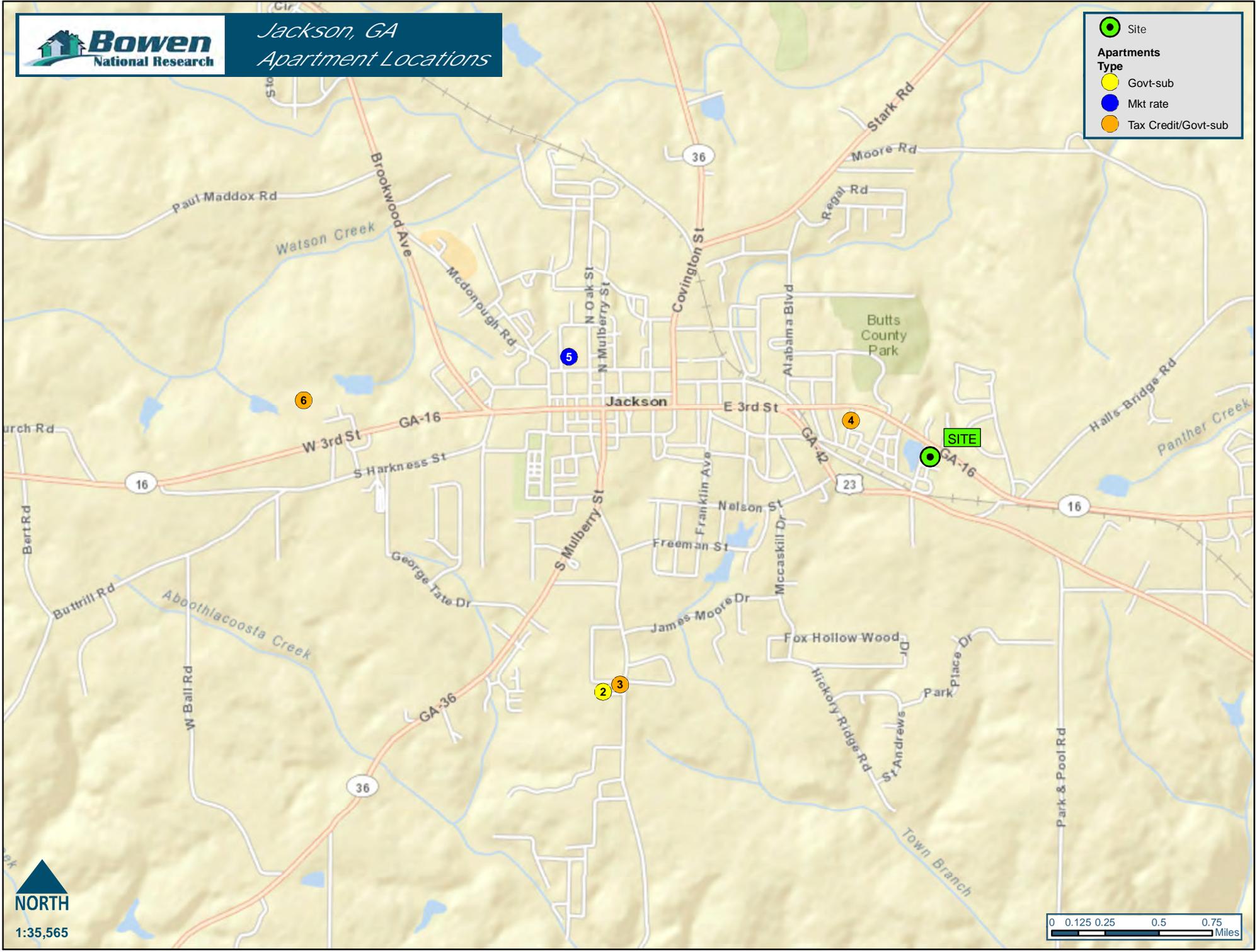


Jackson, GA Apartment Locations

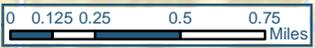
● Site

● Apartments Type

- Govt-sub
- Mkt rate
- Tax Credit/Govt-sub



1:35,565



MAP IDENTIFICATION LIST - JACKSON, GEORGIA

MAP ID	PROJECT NAME	PROJ. TYPE	QUALITY RATING	YEAR BUILT	TOTAL UNITS	VACANT	OCC. RATE	DISTANCE TO SITE*
◆ 1	Pepperton Villas (Site)	TGS	B-	1994	28	0	100.0%	-
2	Mill Lake Apts.	GSS	B	1987	36	0	100.0%	2.0
3	Heritage Apts.	TGS	B	1985	52	15	71.2%	1.9
◆ 4	Brook Point Apts.	TGS	B	1991	50	0	100.0%	0.5
5	Walker Street Apts.	MRR	C	1930	42	4	90.5%	1.7
◆ 6	Magnolia Grove	TGS	A-	2007	33	0	100.0%	2.9

PROJECT TYPE	PROJECTS SURVEYED	TOTAL UNITS	VACANT	OCCUPANCY RATE	U/C
MRR	1	42	4	90.5%	0
TGS	4	163	15	90.8%	0
GSS	1	36	0	100.0%	0

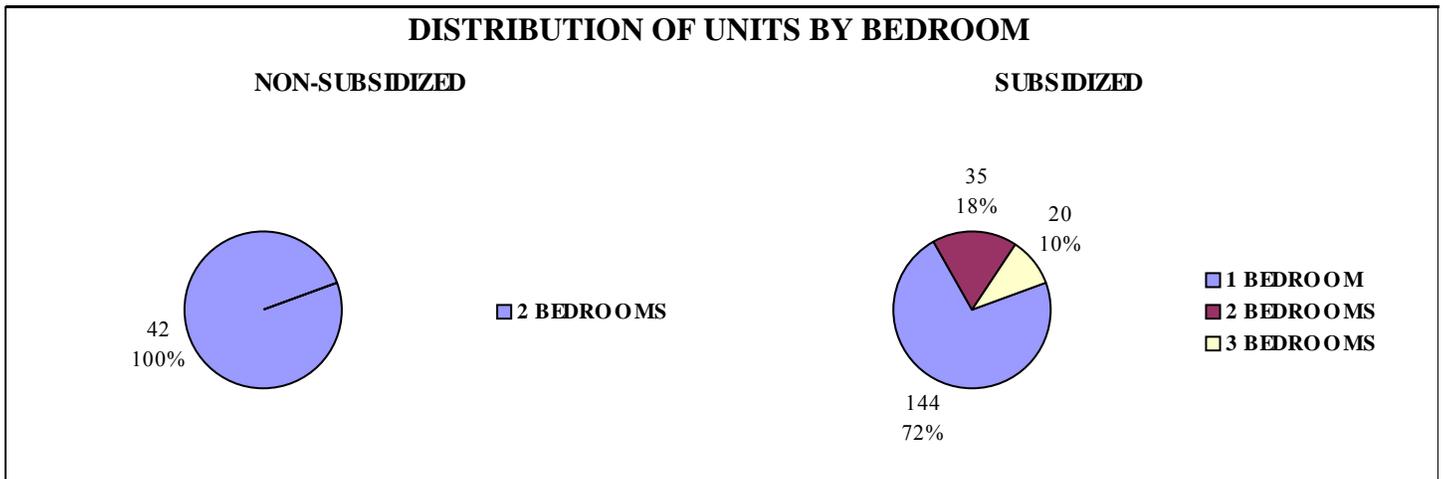
◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

* - Drive Distance (Miles)

Survey Date: September 2013

DISTRIBUTION OF UNITS - JACKSON, GEORGIA

MARKET-RATE						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
2	1	42	100.0%	4	9.5%	\$661
TOTAL		42	100.0%	4	9.5%	
TAX CREDIT, GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	MEDIAN GROSS RENT
1	1	119	73.0%	2	1.7%	N.A.
2	1	24	14.7%	1	4.2%	N.A.
3	1	20	12.3%	12	60.0%	N.A.
TOTAL		163	100.0%	15	9.2%	
GOVERNMENT-SUBSIDIZED						
BEDROOMS	BATHS	UNITS	DISTRIBUTION	VACANT	%VACANT	
1	1	25	69.4%	0	0.0%	N.A.
2	1	11	30.6%	0	0.0%	N.A.
TOTAL		36	100.0%	0	0.0%	
GRAND TOTAL		241	-	19	7.9%	



SURVEY OF PROPERTIES - JACKSON, GEORGIA

1 Pepperton Villas (Site)			
	Address 127 Harper St. Jackson, GA 30233	Phone (770) 504-1911 (Contact in person)	Total Units 28
	Year Built 1994 Comments 60% AMHI; RD 515, has RA (28 units)	Contact Peggy	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B- Senior Restricted (62+) Waiting List 8 households
2 Mill Lake Apts.			
	Address 872 Browniee Rd. Jackson, GA 30233	Phone (770) 775-2157 (Contact in person)	Total Units 36
	Year Built 1987 Comments RD 515, no RA; HCV (2 units); Unit mix estimated	Contact Lynn	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Waiting List 2 households
3 Heritage Apts.			
	Address 812 Brownlee Rd. Jackson, GA 30233	Phone (770) 775-6035 (Contact in person)	Total Units 52
	Year Built 1985 Renovated 2003 Comments 60% AMHI; RD 515, has RA (9 units); HCV (1 unit); Vacancies due to previous management; Year built & square footage estimated	Contact Carol	Vacancies 15 Occupied 71.2% Floors 2 Quality Rating B Waiting List None
4 Brook Point Apts.			
	Address 157 Pulliam Dr. Jackson, GA 30233	Phone (770) 775-0770 (Contact in person)	Total Units 50
	Year Built 1991 Comments 60% AMHI; RD 515, has RA (50 units)	Contact Lynn	Vacancies 0 Occupied 100.0% Floors 1 Quality Rating B Senior Restricted (62+) Waiting List 10 households
5 Walker Street Apts.			
	Address 148 Walker St. Jackson, GA 30233	Phone (678) 774-8600 (Contact in person)	Total Units 42
	Year Built 1930 Renovated 1999 Comments Accepts HCV; Select units have ceiling fans; Year built & square footage estimated	Contact Emily	Vacancies 4 Occupied 90.5% Floors 1,2 Quality Rating C Waiting List None

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: September 2013

SURVEY OF PROPERTIES - JACKSON, GEORGIA

6 Magnolia Grove			
	Address 336 April Ln. Jackson, GA 30233	Phone (770) 504-9286 (Contact in person)	Total Units 33
	Year Built 2007	Contact Karen	Vacancies 0
	Comments 30% AMHI; HUD Section 8		Occupied 100.0%
			Floors 2 Quality Rating A- Senior Restricted (62+) Waiting List 35 households

Project Type

■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: September 2013

COLLECTED RENTS - JACKSON, GEORGIA

MAP ID	GARDEN UNITS					TOWNHOUSE UNITS			
	STUDIO	1-BR	2-BR	3-BR	4+ BR	1-BR	2-BR	3-BR	4+ BR
5			\$400						

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: September 2013

PRICE PER SQUARE FOOT - JACKSON, GEORGIA

TWO-BEDROOM UNITS					
MAP ID	PROJECT NAME	BATHS	UNIT SIZE	GROSS RENT	\$ / SQ. FT.
5	Walker Street Apts.	1	800	\$661	\$0.83

◆	Senior Restricted
■	Market-rate
■	Market-rate/Tax Credit
■	Market-rate/Government-subsidized
■	Market-rate/Tax Credit/Government-subsidized
■	Tax Credit
■	Tax Credit/Government-subsidized
■	Government-subsidized

Survey Date: September 2013

AVERAGE GROSS RENT PER SQUARE FOOT - JACKSON, GEORGIA

MARKET-RATE			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.83	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT (NON-SUBSIDIZED)			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.00	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

COMBINED			
UNIT TYPE	ONE-BR	TWO-BR	THREE-BR
GARDEN	\$0.00	\$0.83	\$0.00
TOWNHOUSE	\$0.00	\$0.00	\$0.00

TAX CREDIT UNITS - JACKSON, GEORGIA

ONE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Heritage Apts.	12	620	1	60%	\$390 - \$579
◆ 4	Brook Point Apts.	46	650	1	60%	\$390 - \$525
◆ 1	Pepperton Villas (Site)	28	650	1	60%	\$425 - \$558
◆ 6	Magnolia Grove	33	1200	1	30%	\$599
TWO-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
◆ 4	Brook Point Apts.	4	850	1	60%	\$425 - \$575
3	Heritage Apts.	20	750	1	60%	\$450 - \$666
THREE-BEDROOM UNITS						
MAP ID	PROJECT NAME	UNITS	SQUARE FEET	# OF BATHS	% AMHI	COLLECTED RENT
3	Heritage Apts.	20	900	1	60%	\$470 - \$695

◆ - Senior Restricted

QUALITY RATING - JACKSON, GEORGIA

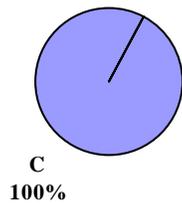
MARKET-RATE PROJECTS AND UNITS

QUALITY RATING	PROJECTS	TOTAL UNITS	VACANCY RATE	MEDIAN GROSS RENT				
				STUDIOS	ONE-BR	TWO-BR	THREE-BR	FOUR-BR
C	1	42	9.5%			\$661		

DISTRIBUTION OF UNITS BY QUALITY RATING

MARKET-RATE UNITS

TAX CREDIT UNITS



YEAR BUILT - JACKSON, GEORGIA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	1	42	4	9.5%	42	100.0%
1970 to 1979	0	0	0	0.0%	42	0.0%
1980 to 1989	0	0	0	0.0%	42	0.0%
1990 to 1999	0	0	0	0.0%	42	0.0%
2000 to 2005	0	0	0	0.0%	42	0.0%
2006	0	0	0	0.0%	42	0.0%
2007	0	0	0	0.0%	42	0.0%
2008	0	0	0	0.0%	42	0.0%
2009	0	0	0	0.0%	42	0.0%
2010	0	0	0	0.0%	42	0.0%
2011	0	0	0	0.0%	42	0.0%
2012	0	0	0	0.0%	42	0.0%
2013**	0	0	0	0.0%	42	0.0%
TOTAL	1	42	4	9.5%	42	100.0 %

YEAR RENOVATED - JACKSON, GEORGIA *

YEAR RANGE	PROJECTS	UNITS	VACANT	% VACANT	TOTAL UNITS	DISTRIBUTION
Before 1970	0	0	0	0.0%	0	0.0%
1970 to 1979	0	0	0	0.0%	0	0.0%
1980 to 1989	0	0	0	0.0%	0	0.0%
1990 to 1999	1	42	4	9.5%	42	100.0%
2000 to 2005	0	0	0	0.0%	42	0.0%
2006	0	0	0	0.0%	42	0.0%
2007	0	0	0	0.0%	42	0.0%
2008	0	0	0	0.0%	42	0.0%
2009	0	0	0	0.0%	42	0.0%
2010	0	0	0	0.0%	42	0.0%
2011	0	0	0	0.0%	42	0.0%
2012	0	0	0	0.0%	42	0.0%
2013**	0	0	0	0.0%	42	0.0%
TOTAL	1	42	4	9.5%	42	100.0 %

Note: The upper table (Year Built) includes all of the units included in the lower table.

* Only Market-Rate and Tax Credit projects. Does not include government-subsidized projects.

** As of September 2013

APPLIANCES AND UNIT AMENITIES - JACKSON, GEORGIA

APPLIANCES			
APPLIANCE	PROJECTS	PERCENT	UNITS*
RANGE	1	100.0%	42
REFRIGERATOR	1	100.0%	42
ICEMAKER	0	0.0%	
DISHWASHER	0	0.0%	
DISPOSAL	0	0.0%	
MICROWAVE	0	0.0%	
UNIT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS*
AC - CENTRAL	0	0.0%	
AC - WINDOW	1	100.0%	42
FLOOR COVERING	1	100.0%	42
WASHER/DRYER	0	0.0%	
WASHER/DRYER HOOK-UP	1	100.0%	42
PATIO/DECK/BALCONY	1	100.0%	42
CEILING FAN	1	100.0%	42
FIREPLACE	0	0.0%	
BASEMENT	0	0.0%	
INTERCOM SYSTEM	0	0.0%	
SECURITY SYSTEM	0	0.0%	
WINDOW TREATMENTS	0	0.0%	
FURNISHED UNITS	0	0.0%	
E-CALL BUTTON	0	0.0%	

* - Does not include units where appliances/amenities are optional; Only includes market-rate or non-government subsidized Tax Credit.

PROJECT AMENITIES - JACKSON, GEORGIA

PROJECT AMENITIES			
AMENITY	PROJECTS	PERCENT	UNITS
POOL	0	0.0%	
ON-SITE MANAGEMENT	0	0.0%	
LAUNDRY	0	0.0%	
CLUB HOUSE	0	0.0%	
MEETING ROOM	0	0.0%	
FITNESS CENTER	0	0.0%	
JACUZZI/SAUNA	0	0.0%	
PLAYGROUND	0	0.0%	
COMPUTER LAB	0	0.0%	
SPORTS COURT	0	0.0%	
STORAGE	0	0.0%	
LAKE	0	0.0%	
ELEVATOR	0	0.0%	
SECURITY GATE	0	0.0%	
BUSINESS CENTER	0	0.0%	
CAR WASH AREA	0	0.0%	
PICNIC AREA	0	0.0%	
CONCIERGE SERVICE	0	0.0%	
SOCIAL SERVICE PACKAGE	0	0.0%	

DISTRIBUTION OF UTILITIES - JACKSON, GEORGIA

UTILITY (RESPONSIBILITY)	NUMBER OF PROJECTS	NUMBER OF UNITS	DISTRIBUTION OF UNITS
HEAT			
LANDLORD			
ELECTRIC	1	33	13.7%
TENANT			
ELECTRIC	5	208	86.3%
			100.0%
COOKING FUEL			
LANDLORD			
ELECTRIC	1	33	13.7%
TENANT			
ELECTRIC	5	208	86.3%
			100.0%
HOT WATER			
LANDLORD			
ELECTRIC	1	33	13.7%
TENANT			
ELECTRIC	5	208	86.3%
			100.0%
ELECTRIC			
LANDLORD	1	33	13.7%
TENANT	5	208	86.3%
			100.0%
WATER			
LANDLORD	4	163	67.6%
TENANT	2	78	32.4%
			100.0%
SEWER			
LANDLORD	4	163	67.6%
TENANT	2	78	32.4%
TRASH PICK-UP			
LANDLORD	5	199	82.6%
TENANT	1	42	17.4%
			100.0%

UTILITY ALLOWANCE -JACKSON, GEORGIA

BR	UNIT TYPE	HEATING				HOT WATER		COOKING		ELEC	WATER	SEWER	TRASH	CABLE
		GAS	ELEC	STEAM	OTHER	GAS	ELEC	GAS	ELEC					
0	GARDEN	\$20	\$23		\$7	\$16	\$21	\$6	\$7	\$42	\$17	\$28	\$20	\$20
1	GARDEN	\$28	\$33		\$7	\$22	\$29	\$9	\$9	\$60	\$22	\$37	\$20	\$20
1	TOWNHOUSE	\$28	\$33		\$7	\$22	\$29	\$9	\$9	\$60	\$22	\$37	\$20	\$20
2	GARDEN	\$35	\$42		\$9	\$28	\$37	\$10	\$12	\$76	\$28	\$46	\$20	\$20
2	TOWNHOUSE	\$35	\$42		\$9	\$28	\$37	\$10	\$12	\$76	\$28	\$46	\$20	\$20
3	GARDEN	\$44	\$51		\$14	\$34	\$45	\$13	\$15	\$93	\$35	\$57	\$20	\$20
3	TOWNHOUSE	\$44	\$51		\$14	\$34	\$45	\$13	\$15	\$93	\$35	\$57	\$20	\$20
4	GARDEN	\$56	\$65		\$17	\$42	\$57	\$16	\$19	\$118	\$43	\$71	\$20	\$20
4	TOWNHOUSE	\$56	\$65		\$17	\$42	\$57	\$16	\$19	\$118	\$43	\$71	\$20	\$20

ADDENDUM B

COMPARABLE PROPERTY PROFILES

5

Walker Street Apts.

1.7 miles to site



Address 148 Walker St.
Jackson, GA 30233

Phone (678) 774-8600 **Contact** Emily

Total Units 42 **Vacancies** 4 **Percent Occupied** 90.5%

Project Type Market-Rate

Year Open 1930 **Renovated** 1999 **Floors** 1,2

Concessions No Rent Specials

Parking Surface Parking

Waiting List NONE

Quality Rating C **Neighborhood Rating** C-

Remarks Accepts HCV; Select units have ceiling fans; Year built & square footage estimated



Features and Utilities

Utilities No landlord paid utilities

Unit Amenities Refrigerator, Range, Window AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan

Project Amenities

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
2	1	G	42	4	800	\$0.50	\$400

904 Carrington Green

17.2 miles to site



Address	745 Hwy. 42 S McDonough, GA 30253		
Phone	(888) 343-9491	Contact	Stephanie
Total Units	264	Vacancies	8
		Percent Occupied	97.0%
Project Type	Market-Rate		
Year Open	2006	Floors	2,3
Concessions	No Rent Specials		
Parking	Attached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	A-	Neighborhood Rating	B
Remarks	Does not accept HCV; Rent range based on floor plans; Unit mix estimated		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Intercom, Blinds
Project Amenities	Swimming Pool, On-site Management, Laundry Facility, Club House, Meeting Room, Fitness Center, Playground, Sports Court, Security Gate, Picnic Area, Movie Theater

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	82	0	691 to 880	\$0.91 - \$0.94	\$650 to \$800
2	2	G	122	5	1177 to 1320	\$0.68 - \$0.72	\$800 to \$950
3	2	G	60	3	1447	\$0.69 - \$0.83	\$1000 to \$1200

906 Amber Chase

18.8 miles to site



Address	570 McDonough Pkwy. McDonough, GA 30253		
Phone	(888) 271-7879	Contact	Brenda
Total Units	352	Vacancies	25
		Percent Occupied	92.9%
Project Type	Market-Rate		
Year Open	2000	Floors	2
Concessions	Reported 2-br/2-ba & 3-br rents discounted		
Parking	Detached Garages, Surface Parking		
Waiting List	NONE		
Quality Rating	B	Neighborhood Rating	B
Remarks	Does not accept HCV; Typical rents: 2-br/2-ba \$809 & 3-br \$899; Unit mix estimated		

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Club House, Meeting Room, Fitness Center, Playground, Sports Court, Storage, Security Gate, Car Wash Area, Business Center, Movie Theater

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT
1	1	G	80	6	800 to 900	\$0.68 - \$0.77	\$615
2	1 to 2	G	229	16	1117 to 1253	\$0.60 - \$0.62	\$694 to \$749
3	2	G	43	3	1332	\$0.64	\$849

910 Holiday Cove

21.6 miles to site



Address	600 Holiday Cir. Forsyth, GA 31029		
Phone	(478) 994-4505	Contact	Mary
Total Units	86	Vacancies	2
		Percent Occupied	97.7%
Project Type	Market-Rate		
Year Open	1987	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	A-	Neighborhood Rating	B
Remarks	Does not accept HCV; Units have wood laminate & ceramic tile flooring; Ten units under renovations		

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Club House, Playground, Picnic Area

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT
1	1	G	24	0	763	\$0.69	\$525
2	2	G	62	2	950	\$0.66	\$625

907 Villas on Forsyth

23.2 miles to site



Address	101 Virginia Ave. Barnesville, GA 30204	
Phone	(770) 358-4880	Contact Jody
Total Units	42	Vacancies 0 Percent Occupied 100.0%
Project Type	Market-Rate & Tax Credit	
Year Open	2009	Floors 1
Concessions	No Rent Specials	
Parking	Surface Parking	
Waiting List	15 households	
Quality Rating	B	Neighborhood Rating B
Remarks	Market-rate (9 units); 50% & 60% AMHI (33 units); HCV (2 units); Year built, unit mix & square footage estimated	

No Picture
on File

Features and Utilities

Utilities	No landlord paid utilities
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management, Meeting Room, Computer Lab, Picnic Area, Horseshoes

Unit Configuration

BRs	BAs	TYPE	UNITS	VACANT	SQUARE FEET	\$ / SQ FT	COLLECTED RENT	AMHI
1	1	G	4	0	850	\$0.60	\$514	
1	1	G	8	0	850	\$0.54	\$460	60%
1	1	G	6	0	850	\$0.44	\$370	50%
2	1	G	5	0	965	\$0.56	\$539	
2	1	G	11	0	965	\$0.52	\$500	60%
2	1	G	8	0	965	\$0.44	\$428	50%

908 Grier Manor

17.4 miles to site



Address	391 Old Griffin Rd. McDonough, GA 30253		
Phone	(770) 288-2311	Contact	Sharon
Total Units	64	Vacancies	0
		Percent Occupied	100.0%
Project Type	Market-Rate & Tax Credit		
Year Open	2005	Floors	2
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	73 households		
Quality Rating	B+	Neighborhood Rating	B
Remarks	Market-rate (13 units); 30%, 50% & 54% AMHI (51 units); HCV (3 units)		

Features and Utilities

Utilities	Landlord pays Trash
Unit Amenities	Refrigerator, Icemaker, Range, Dishwasher, Disposal, Central AC, Carpet, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	On-site Management, Meeting Room, Fitness Center, Elevator, Picnic Area, Shuffleboard/Salon, Community Garden

Unit Configuration

BRs	BAAs	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	16	0	655	\$0.81	\$533	50%
1	1	G	4	0	655	\$0.39	\$255	30%
1	1	G	6	0	655	\$0.95	\$625	
1	1	G	6	0	655	\$0.90	\$588	54%
2	2	G	7	0	908	\$0.80	\$725	
2	2	G	6	0	908	\$0.77	\$695	54%
2	2	G	16	0	908	\$0.69	\$628	50%
2	2	G	3	0	908	\$0.32	\$295	30%

913 Heritage at McDonough

18.1 miles to site



Address	180 Bridges Rd. McDonough, GA 30252		
Phone	(678) 604-8322	Contact	Susan
Total Units	105	Vacancies	0
		Percent Occupied	100.0%
Project Type	Tax Credit		
Year Open	2011	Floors	3
Concessions	No Rent Specials		
Parking	Surface Parking		
Waiting List	NONE		
Quality Rating	A	Neighborhood Rating	B
Remarks	50% & 60% AMHI; Opened 11/2011, 100% occupied 5/2012		

No Picture
on File

Features and Utilities

Utilities	Landlord pays Water, Sewer, Trash, Cable
Unit Amenities	Refrigerator, Range, Dishwasher, Disposal, Microwave, Central AC, Carpet, Washer & Dryer, Washer/Dryer Hook Up, Patio/Deck/Balcony, Ceiling Fan, Blinds
Project Amenities	Swimming Pool, On-site Management, Meeting Room, Fitness Center, Elevator, Security Gate, Computer Lab, Picnic Area, Beauty/Barber Shop

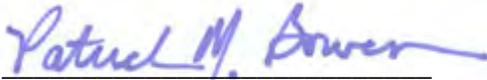
Unit Configuration

BRs	BA	TYPE	UNITS	VACANT	SQUARE FEET	\$/SQ FT	COLLECTED RENT	AMHI
1	1	G	43	0	722	\$0.93	\$675	60%
1	1	G	8	0	722	\$0.75	\$545	50%
2	2	G	46	0	1103	\$0.73	\$802	60%
2	2	G	8	0	1103	\$0.59	\$646	50%

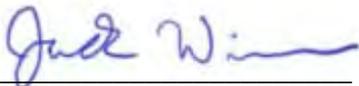
Addendum C – Member Certification & Checklist

This market study has been prepared by Bowen National Research, a member in good standing of the National Council of Housing Market Analysts (NCHMA). This study has been prepared in conformance with the standards adopted by NCHMA for the market analysts' industry. These standards include the *Standard Definitions of Key Terms Used in Market Studies for Housing Projects*, and *Model Content Standards for the Content of Market Studies for Housing Projects*. These Standards are designed to enhance the quality of market studies and to make them easier to prepare, understand, and use by market analysts and by the end users. These Standards are voluntary only, and no legal responsibility regarding their use is assumed by the National Council of Housing Market Analysts.

Bowen National Research is duly qualified and experienced in providing market analysis for housing. The company's principals participate in the National Council of Housing Market Analysts (NCHMA) educational and information sharing programs to maintain the highest professional standards and state-of-the-art knowledge. Bowen National Research is an independent market analyst. No principal or employee of Bowen National Research has any financial interest whatsoever in the development for which this analysis has been undertaken.



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ADDENDUM-MARKET STUDY INDEX

A. INTRODUCTION

Members of the National Council of Housing Market Analysts provide a checklist referencing all components of their market study. This checklist is intended to assist readers on the location content of issues relevant to the evaluation and analysis of market studies.

B. DESCRIPTION AND PROCEDURE FOR COMPLETING

The following components have been addressed in this market study. The section number of each component is noted below. Each component is fully discussed in that section. In cases where the item is not relevant, the author has indicated 'N/A' or not applicable. Where a conflict with or variation from client standards or client requirements exists, the author has indicated a 'VAR' (variation) with a comment explaining the conflict.

C. CHECKLIST

		Section (s)
Executive Summary		
1.	Executive Summary	A
Project Description		
2.	Proposed number of bedrooms and baths proposed, income limitations, proposed rents and utility allowances	B
3.	Utilities (and utility sources) included in rent	B
4.	Project design description	B
5.	Unit and project amenities; parking	B
6.	Public programs included	B
7.	Target population description	B
8.	Date of construction/preliminary completion	B
9.	If rehabilitation, existing unit breakdown and rents	B
10.	Reference to review/status of project plans	B
Location and Market Area		
11.	Market area/secondary market area description	D
12.	Concise description of the site and adjacent parcels	C
13.	Description of site characteristics	C
14.	Site photos/maps	C
15.	Map of community services	C
16.	Visibility and accessibility evaluation	C
17.	Crime Information	C

CHECKLIST (Continued)

		Section (s)
Employment and Economy		
18.	Employment by industry	E
19.	Historical unemployment rate	E
20.	Area major employers	E
21.	Five-year employment growth	E
22.	Typical wages by occupation	E
23.	Discussion of commuting patterns of area workers	E
Demographic Characteristics		
24.	Population and household estimates and projections	E
25.	Area building permits	E
26.	Distribution of income	E
27.	Households by tenure	E
Competitive Environment		
28.	Comparable property profiles	Addendum B
29.	Map of comparable properties	G
30.	Comparable property photographs	Addendum B
31.	Existing rental housing evaluation	G
32.	Comparable property discussion	G
33.	Area vacancy rates, including rates for Tax Credit and government-subsidized	G
34.	Comparison of subject property to comparable properties	G
35.	Availability of Housing Choice Vouchers	G
36.	Identification of waiting lists	G & Addendum A
37.	Description of overall rental market including share of market-rate and affordable properties	G
38.	List of existing LIHTC properties	G
39.	Discussion of future changes in housing stock	G
40.	Discussion of availability and cost of other affordable housing options including homeownership	G
41.	Tax Credit and other planned or under construction rental communities in market area	G
Analysis/Conclusions		
42.	Calculation and analysis of Capture Rate	F
43.	Calculation and analysis of Penetration Rate	F
44.	Evaluation of proposed rent levels	G
45.	Derivation of Achievable Market Rent and Market Advantage	G
46.	Derivation of Achievable Restricted Rent	G
47.	Precise statement of key conclusions	A
48.	Market strengths and weaknesses impacting project	A
49.	Recommendations and/or modification to project discussion	A
50.	Discussion of subject property's impact on existing housing	G
51.	Absorption projection with issues impacting performance	A
52.	Discussion of risks or other mitigating circumstances impacting project projection	A
53.	Interviews with area housing stakeholders	H

CHECKLIST (Continued)

Other Requirements		Section (s)
54.	Preparation date of report	Title Page
55.	Date of Field Work	Addendum A
56.	Certifications	J
57.	Statement of qualifications	K
58.	Sources of data not otherwise identified	Addendum D
59.	Utility allowance schedule	Addendum A

ADDENDUM D - Methodologies, Disclaimers & Sources

1. PURPOSE

The purpose of this report is to evaluate the market feasibility of an existing apartment project in Georgia following renovations under the Low-Income Housing Tax Credit (LIHTC) program. Currently, the project is a Rural Development Section 515 (RD Section 515) project. When applicable, we have incorporated the market study requirements as outlined in exhibits 4-10 and 4-11 of the Rural Development Handbook.

This market feasibility analysis complies with the requirements established by the Georgia Department of Community Affairs/Georgia Housing and Finance Authority (GDCA/GHFA) and conforms to the standards adopted by the National Council of Affordable Housing Market Analysts (NCAHMA). These standards include the accepted definitions of key terms used in market studies for affordable housing projects and model content standards for the content of market studies for affordable housing projects. The standards are designed to enhance the quality of market studies and to make them easier to prepare, understand and use by market analysts and end users.

2. METHODOLOGIES

Methodologies used by Bowen National Research include the following:

- The Primary Market Area (PMA) generated for the subject site is identified. The PMA is generally described as the smallest geographic area expected to generate most of the support for the subject project. PMAs are not defined by a radius. The use of a radius is an ineffective approach because it does not consider mobility patterns, changes in socioeconomic or demographic character of neighborhoods or physical landmarks that might impede development.

PMAs are established using a variety of factors that include, but are not limited to:

- A detailed demographic and socioeconomic evaluation.
- Interviews with area planners, realtors and other individuals who are familiar with area growth patterns.
- A drive-time analysis to the site.
- Personal observations by the field analyst.

- A field survey of modern apartment developments is conducted. The intent of the field survey is twofold. First, the field survey is used to measure the overall strength of the apartment market. This is accomplished by an evaluation of unit mix, vacancies, rent levels and overall quality of product. The second purpose of the field survey is to establish those projects that are most likely directly comparable to the subject property.
- Two types of directly comparable properties are identified through the field survey. They include other Section 42 LIHTC developments and market-rate developments that offer unit and project amenities similar to the subject development. An in-depth evaluation of those two property types provides an indication of the potential of the subject development.
- Economic and demographic characteristics of the area are evaluated. An economic evaluation includes an assessment of area employment composition, income growth (particularly among the target market), building statistics and area growth perceptions. The demographic evaluation uses the most recently issued Census information, as well as projections that determine what the characteristics of the market will be when the subject project renovations are complete and after it achieves a stabilized occupancy.
- Area building statistics and interviews with officials familiar with area development provide identification of those properties that might be planned or proposed for the area that will have an impact on the marketability of the subject development. Planned and proposed projects are always in different stages of development. As a result, it is important to establish the likelihood of construction, the timing of the project and its impact on the market and the subject development.
- We conduct an analysis of the subject project's required capture of the number of income-appropriate households within the PMA based on GDCA's demand estimate guidelines. This capture rate analysis considers all income-qualified renter households. For senior projects, the market analyst is permitted to use conversion of homeowners to renters as an additional support component. Demand is conducted by bedroom type and targeted AMHI for the subject project. The resulting capture rates are compared with acceptable market capture rates for similar types of projects to determine whether the subject development's capture rate is achievable.

- Achievable market rent for the subject development is determined. Using a Rent Comparability Grid, the features of the subject development are compared item by item with the most comparable properties in the market. Adjustments are made for each feature that differs from that of the subject development. These adjustments are then included with the collected rent resulting in an achievable market rent for a unit comparable to the proposed unit. This analysis is done for each bedroom type proposed for the site.

3. REPORT LIMITATIONS

The intent of this report is to collect and analyze significant levels of data to forecast the market success of the subject property within an agreed to time period.

Bowen National Research relies on a variety of sources of data to generate this report. These data sources are not always verifiable; Bowen National Research, however, makes a significant effort to assure accuracy. While this is not always possible, we believe our effort provides an acceptable standard margin of error. Bowen National Research is not responsible for errors or omissions in the data provided by other sources.

Any reproduction or duplication of this report without the express approval of Bowen National Research is strictly prohibited.

4. SOURCES

Bowen National Research uses various sources to gather and confirm data used in each analysis. These sources, which are cited throughout this report, include the following:

- The 2000 and 2010 Census on Housing
- American Community Survey
- Urban Decision Group (UDG)
- ESRI
- Area Chamber of Commerce
- Georgia Department of Community Affairs
- U.S. Department of Labor
- U.S. Department of Commerce
- Management for each property included in the survey
- Local planning and building officials
- Local housing authority representatives
- HISTA Data (household income by household size, tenure and age of head of household) by Ribbon Demographics

ADDENDUM E – ACHIEVABLE MARKET RENT ANALYSIS

A. INTRODUCTION

We identified one market-rate property within the Jackson Site PMA that we consider comparable in terms of unit and project amenities to the subject development. Due to the lack of comparable market-rate properties located within the Jackson Site PMA, we identified and surveyed four additional market-rate properties located outside of the Site PMA, but within the region in McDonough and Forsyth. The Forsyth market is generally similar in terms of socioeconomic characteristics to the Jackson market. However, due to differences between the McDonough and Jackson markets, an adjustment has been made to the selected properties located in McDonough. These selected properties are used to derive market rent for a project with characteristics similar to the subject development and the subject property's market advantage. It is important to note that, for the purpose of this analysis, we only select market-rate properties. Market-rate properties are used to determine rents, or *Conventional Rents for Comparable Units*, that can be achieved in the open market for the subject units without maximum income and rent restrictions.

The basis for the selection of these projects includes, but is not limited to, the following factors:

- Surrounding neighborhood characteristics
- Target market (seniors, families, disabled, etc.)
- Unit types offered (garden or townhouse, bedroom types, etc.)
- Building type (single-story, mid-rise, high-rise, etc.)
- Unit and project amenities offered
- Age and appearance of property

Since it is unlikely that any two properties are identical, we adjust the collected rent (the actual rent paid by tenants) of the selected properties according to whether or not they compare favorably with the subject development. Rents of projects that have additional or better features than the subject site are adjusted negatively, while projects with inferior or fewer features are adjusted positively. For example, if the subject project does not have a washer or dryer and a selected property does, we lower the collected rent of the selected property by the estimated value of a washer and dryer to derive an *achievable market rent* for a project similar to the project.

The rent adjustments used in this analysis are based on various sources, including known charges for additional features within the Site PMA, estimates made by area property managers and realtors, quoted rental rates from furniture rental companies and Bowen National Research's prior experience in markets nationwide.

It is important to note that one or more of the selected properties may be more similar to the subject property than others. These properties are given more weight in terms of reaching the final achievable market rent determination. While monetary adjustments are made for various unit and project features, the final market rent determination is based upon the judgments of our market analysts.

The subject development and the five selected properties include the following:

Map I.D.	Project Name	Year Built/ Renovated	Total Units	Occ. Rate	Unit Mix (Occupancy Rate)		
					One- Br.	Two- Br.	Three- Br.
Site	Pepperton Villas	1994 / 2014	28	100.0%	28 (100.0%)	1 (0.0%)	-
5	Walker Street Apts.	1930 / 1999	42	90.5%	-	42 (90.5%)	-
904	Carrington Green	2006	264	97.0%	82 (100.0%)	122 (95.9%)	60 (95.0%)
906	Amber Chase	2000	352	92.9%	80 (92.5%)	229 (93.0%)	43 (93.0%)
908	Grier Manor	2005	13*	100.0%	6 (100.0%)	7 (100.0%)	-
910	Holiday Cove	1987	86 + 10**	97.7%	24 (100.0%)	62 (96.8%)	-

*Market-rate units only

**Units under construction

900 Map IDs are located outside of the Site PMA

The five selected market-rate projects have a combined total of 757 units with an overall occupancy rate of 94.8%, a stable and good rate for rental housing. As such, these projects have been well received within their respective markets and will serve as accurate benchmarks with which to compare the subject units.

The Rent Comparability Grids on the following pages show the collected rents for each of the selected properties and illustrate adjustments made (as needed) for various features and locations or neighborhood characteristics, as well as for quality differences that exist between the selected properties and the subject development.

Rent Comparability Grid

Unit Type → **ONE BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Pepperton Villas		Walker Street Apts.		Carrington Green		Amber Chase		Holiday Cove		Grier Manor	
127 Harper St.		148 Walker St.		745 Hwy. 42 S		570 McDonough Pkwy.		600 Holiday Cir.		391 Old Griffin Rd.	
Jackson, GA		Jackson, GA		McDonough, GA		McDonough, GA		Forsyth, GA		McDonough, GA	
A. Rents Charged		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
1	\$ Last Rent / Restricted?	\$400		\$650		\$615		\$525		\$625	
2	Date Surveyed	Sep-13		Sep-13		Sep-13		Aug-13		Sep-13	
3	Rent Concessions	None		None		None		None		None	
4	Occupancy for Unit Type	90%		100%		93%		100%		100%	
5	Effective Rent & Rent/ sq. ft	\$400	0.50	\$650	0.94	\$615	0.77	\$525	0.65	\$625	0.95
B. Design, Location, Condition		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
6	Structure / Stories	WU/1,2		WU/2,3		WU/2		WU/2		EE/2	
7	Yr. Built/Yr. Renovated	1994/2014		2006	(\$2)	2000	\$4	1987	\$17	2005	(\$1)
8	Condition /Street Appeal	G		E	(\$15)	G		E	(\$15)	G	
9	Neighborhood	G		G		G		G		G	
10	Same Market?	Yes		No	(\$130)	No	(\$123)	No		No	(\$125)
C. Unit Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
11	# Bedrooms	1	(\$50)	1		1		1		1	
12	# Baths	1		1		1		1		1	
13	Unit Interior Sq. Ft.	650	(\$28)	691	(\$8)	800	(\$28)	807	(\$29)	655	(\$1)
14	Balcony/ Patio	Y		Y		Y		Y		Y	
15	AC: Central/ Wall	C		C		C		C		C	
16	Range/ refrigerator	R/F		R/F		R/F		R/F		R/F	
17	Microwave/ Dishwasher	N/Y	\$10	N/Y		N/Y		Y/Y	(\$5)	N/Y	
18	Washer/Dryer	HU/L	\$5	HU/L		HU	\$5	HU	\$5	HU	\$5
19	Floor Coverings	C		C		C		V		C	
20	Window Coverings	B	\$5	B		B		B		B	
21	Storage	Y	\$5	N	\$5	OPT/\$25	\$5	N	\$5	N	\$5
22	Garbage Disposal	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23	Ceiling Fans	Y		Y		Y		Y		Y	
D Site Equipment/ Amenities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
24	Parking (\$ Fee)	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25	On-Site Management	Y	\$5	Y		Y		Y		Y	
26	Security Gate	N		Y	(\$5)	Y	(\$5)	N		N	
27	Clubhouse/ Meeting Rooms	N/Y	\$5	Y/Y	(\$5)	Y/Y	(\$5)	Y/N		N/Y	
28	Pool/ Recreation Areas	N		P/F/T/MT	(\$21)	P/F/S/MT	(\$21)	P	(\$10)	F/G/S	(\$11)
29	Computer/Business Center	N		N		Y	(\$3)	N		N	
30	Picnic Area	Y	\$3	Y		N	\$3	Y		Y	
31	Library	N		N		N		N		N	
32	Social Services	N		N		N		N		N	
E. Utilities		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
33	Heat (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
34	Cooling (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
35	Cooking (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
36	Hot Water (in rent?/ type)	N/E		N/E		N/E		N/E		N/E	
37	Other Electric	N		N		N		N		N	
38	Cold Water/ Sewer	Y/Y	\$59	N/N	\$59	N/N	\$59	Y/Y		N/N	\$59
39	Trash /Recycling	Y/N	\$20	N/N	\$20	N/N	\$20	Y/N		Y/N	
F. Adjustments Recap		Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg	Pos	Neg
40	# Adjustments B to D	11	2	1	8	4	7	3	5	2	5
41	Sum Adjustments B to D	\$107	(\$78)	\$5	(\$191)	\$17	(\$190)	\$27	(\$64)	\$10	(\$143)
42	Sum Utility Adjustments	\$79		\$79		\$79				\$59	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43	Net/ Gross Adjmts B to E	\$108	\$264	(\$107)	\$275	(\$94)	\$286	(\$37)	\$91	(\$74)	\$212
G. Adjusted & Market Rents		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent		Adj. Rent	
44	Adjusted Rent (5+ 43)	\$508		\$543		\$521		\$488		\$551	
45	Adj Rent/Last rent		127%		84%		85%		93%		88%
46	Estimated Market Rent	\$515	\$0.79	← Estimated Market Rent/ Sq. Ft							

Rent Comparability Grid

Unit Type → **TWO BEDROOM**

Subject		Comp #1		Comp #2		Comp #3		Comp #4		Comp #5	
Pepperton Villas		Walker Street Apts.		Carrington Green		Amber Chase		Grier Manor		Holiday Cove	
127 Harper St.		148 Walker St.		745 Hwy. 42 S		570 McDonough Pkwy.		391 Old Griffin Rd.		600 Holiday Cir.	
Jackson, GA		Jackson, GA		McDonough, GA		McDonough, GA		McDonough, GA		Forsyth, GA	
Data on Subject		Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj	Data	\$ Adj
A. Rents Charged											
1 \$ Last Rent / Restricted?		\$400		\$800		\$694		\$725		\$625	
2 Date Surveyed		Sep-13		Sep-13		Sep-13		Sep-13		Aug-13	
3 Rent Concessions		None		None		None		None		None	
4 Occupancy for Unit Type		90%		96%		93%		100%		97%	
5 Effective Rent & Rent/ sq. ft	▼	\$400	0.50	\$800	0.68	\$694	0.62	\$725	0.80	\$625	0.66
B. Design, Location, Condition											
6 Structure / Stories	R/1	WU/1,2		WU/2,3		WU/2		WU/2		EE/2	
7 Yr. Built/Yr. Renovated	1994/2014	1930/1999	\$39	2006	(\$2)	2000	\$4	1987	\$17	2005	(\$1)
8 Condition /Street Appeal	G	F	\$15	E	(\$15)	G		E	(\$15)	G	
9 Neighborhood	G	F	\$10	G		G		G		G	
10 Same Market?		Yes		No	(\$160)	No	(\$139)	No	(\$145)	No	
C. Unit Equipment/ Amenities											
11 # Bedrooms	2	2		2		2		2		2	
12 # Baths	1	1		2	(\$30)	1		2	(\$30)	2	(\$30)
13 Unit Interior Sq. Ft.	825	800	\$4	1177	(\$58)	1117	(\$48)	908	(\$14)	950	(\$20)
14 Balcony/ Patio	Y	Y		Y		Y		Y		Y	
15 AC: Central/ Wall	C	W	\$5	C		C		C		C	
16 Range/ refrigerator	R/F	R/F		R/F		R/F		R/F		R/F	
17 Microwave/ Dishwasher	N/Y	N/N	\$10	N/Y		N/Y		Y/Y	(\$5)	N/Y	
18 Washer/Dryer	HU/L	HU	\$5	HU/L		HU	\$5	HU	\$5	HU	\$5
19 Floor Coverings	C	C		C		C		V		C	
20 Window Coverings	B	N	\$5	B		B		B		B	
21 Storage	Y	N	\$5	N	\$5	OPT/\$25	\$5	N	\$5	N	\$5
22 Garbage Disposal	N	N		Y	(\$5)	Y	(\$5)	Y	(\$5)	Y	(\$5)
23 Ceiling Fans	Y	Y		Y		Y		Y		Y	
D Site Equipment/ Amenities											
24 Parking (\$ Fee)	LOT/\$0	LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0		LOT/\$0	
25 On-Site Management	Y	N	\$5	Y		Y		Y		Y	
26 Security Gate	N	N		Y	(\$5)	Y	(\$5)	N		N	
27 Clubhouse/ Meeting Rooms	N/Y	N/N	\$5	Y/Y	(\$5)	Y/Y	(\$5)	Y/N		N/Y	
28 Pool/ Recreation Areas	N	N		P/F/T/MT	(\$21)	P/F/S/MT	(\$21)	P	(\$10)	F/G/S	(\$11)
29 Computer/Business Center	N	N		N		Y	(\$3)	N		N	
30 Picnic Area	Y	N	\$3	Y		N	\$3	Y		Y	
31 Library	N	N		N		N		N		N	
32 Social Services	N	N		N		N		N		N	
E. Utilities											
33 Heat (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
34 Cooling (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
35 Cooking (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
36 Hot Water (in rent?/ type)	N/E	N/E		N/E		N/E		N/E		N/E	
37 Other Electric	N	N		N		N		N		N	
38 Cold Water/ Sewer	Y/Y	N/N	\$74	N/N	\$74	N/N	\$74	Y/Y		N/N	\$74
39 Trash /Recycling	Y/N	N/N	\$20	N/N	\$20	N/N	\$20	Y/N		Y/N	
F. Adjustments Recap											
40 # Adjustments B to D		12		1	9	4	7	3	7	2	5
41 Sum Adjustments B to D		\$111		\$5	(\$301)	\$17	(\$226)	\$27	(\$224)	\$10	(\$67)
42 Sum Utility Adjustments		\$94		\$94		\$94				\$74	
		Net	Gross	Net	Gross	Net	Gross	Net	Gross	Net	Gross
43 Net/ Gross Adjmts B to E		\$205	\$205	(\$202)	\$400	(\$115)	\$337	(\$197)	\$251	\$17	\$151
G. Adjusted & Market Rents											
44 Adjusted Rent (5+ 43)		\$605		\$598		\$579		\$528		\$642	
45 Adj Rent/Last rent			151%		75%		83%		73%		103%
46 Estimated Market Rent	\$605	\$0.73	← Estimated Market Rent/ Sq. Ft								

Once all adjustments to collected rents were made, the adjusted rents for each comparable were considered to derive an achievable market rent for each bedroom type. Each property was considered and weighed based upon its proximity to the subject site, and its amenities and unit layout compared to the subject site.

Based on the preceding Rent Comparability Grid, it was determined that the present-day achievable market rent (aka *Conventional Rents for Comparable Units-CRCU*) for a one-bedroom unit similar to the subject development is \$515, which is illustrated as follows:

Bedroom Type	Proposed Collected Rent	Achievable Market Rent (CRCU)	Market Rent Advantage
One-Bedroom	\$515	\$515	0.0%
Two-Bedroom	\$605	\$605	0.0%

CRCU - Conventional Rents for Comparable Units

Typically, Tax Credit rents should represent market rent advantages of at least 10.0% in order to be considered a value in most markets and enable a steady flow of eligible renters. As the preceding table illustrates, the proposed Tax Credit rents represent no rent advantage. Regardless, the subject project is anticipated to retain RA on 28 of the 29 total units post renovations and will continue to be viewed as a substantial value within the market.

B. RENT ADJUSTMENT EXPLANATIONS (RENT COMPARABILITY GRID)

None of the selected properties offer the same amenities as the subject property. As a result, we have made adjustments to the collected rents to reflect the differences between the subject property and the selected properties. The following are explanations (preceded by the line reference number on the comparability grid table) for each rent adjustment made to each selected property.

1. Rents for each property are reported as collected rents. These are the actual rents paid by tenants and do not consider utilities paid by tenants. The rents reported are typical and do not consider rent concessions or special promotions.

7. Upon completion of renovations, the subject project will have an effective age of a project built in 2004. The selected properties were built between 1930 and 2006. As such, we have adjusted the rents at the selected properties by \$1 per year of age difference to reflect the age of these properties. Note that one of the selected properties, Walker Street Apartments (Comp #1), was built in 1930; however it was renovated in 1999. As such, the effective age of this project is 1965.

8. It is anticipated that the subject project will have an improved appearance, once renovations are complete. We have made adjustments for the selected properties we consider to be of inferior or superior quality compared to the subject development.
9. One of the selected properties, Walker Street Apartments (Comp #1), is located in a less desirable neighborhood than the subject project. As such, we have made an adjustment to account for differences in neighborhood desirability among this selected project and the subject project.
10. As previously stated, four of the selected properties are located outside of the Jackson Site PMA in Forsyth and McDonough. As noted, the Forsyth market is considered generally similar to the Jackson market. However, the McDonough market is significantly larger than Jackson in terms of population, community services and apartment selections. Given the differences in markets, the rents that are achievable in McDonough will not directly translate to the Jackson market. Therefore, we have adjusted each collected rent at the three comparable projects located in McDonough by approximately 20.0% to account for these market differences.
11. One of the selected properties, Walker Street Apartments (Comp #1), only offers two-bedroom units. As such, we have used the two-bedroom units at this property and made adjustments to reflect the difference in the number of bedrooms offered.
13. The adjustment for differences in square footage is based upon the average rent per square foot among the comparable properties. Since consumers do not value extra square footage on a dollar for dollar basis, we have used 25.0% of the average for this adjustment.
- 14.-23. The subject project will offer a unit amenity package generally superior to the selected properties. We have made adjustments for features lacking at the selected properties, and in some cases, we have made adjustments for features the subject project does not offer.
- 24.-32. The project offers a limited project amenities package that is generally inferior to the selected market-rate properties. We have made monetary adjustments to reflect the difference between the subject project's and the selected properties' project amenities.
- 33.-39. We have made adjustments to reflect the differences in utility responsibility at each selected property. The utility adjustments were based on the local housing authority's utility cost estimates.

Addendum F:
RENT ROLL

Affordable Rent Roll

Property: Pepperton Villas (474) Sort by: Unit

As of 8/1/2013

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Utility Allowance	TTP	Utility Reimb.
Pepperton Villas (474)																	
01	474s2	0	2	Cross, Kay	HUD Voucher		MI-1	09/20/12	558	491	425	425	0	425	66	491	0
03	474s1	0	1	Griffin, Evelyn	Rental		AR	03/01/13	558	491	425	425	273	152	66	218	0
04	474s1	0	1	Norsworthy, Donna	Assistance(RA) Rental		MI	03/26/13	558	491	425	425	288	137	66	203	0
05	474s1	0	1	Haralson, Edna	Assistance(RA) Rental		AR	07/01/13	558	491	425	425	213	212	66	278	0
06	474s1	0	1	Runyon, Cynthia	Assistance(RA) Rental		MI	07/23/13	558	491	425	425	289	136	66	202	0
07	474s1	0	1	VACANT	Assistance(RA)				558	0	380	0	0	0	66	0	0
08	474s1	0	1	McDowell, Josephine	Rental		MI	03/29/13	558	491	425	425	199	226	66	292	0
09	474h1	0	1	Truett, Carson	Assistance(RA) Rental		AR	02/01/13	558	491	425	425	236	189	66	255	0
10	474h1	0	1	Henry, Michael	Assistance(RA) Rental		AR	11/01/12	558	491	425	425	183	242	66	308	0
11	474s1	0	1	Morrow, Kathy	Assistance(RA) Rental		AR	07/01/13	558	491	425	425	268	157	66	223	0
12	474s1	1	1	Vaccaro, Sandra	Assistance(RA) Rental		AR	11/01/12	558	491	425	425	291	134	66	200	0
13	474s1	0	1	Mason, Willie	Assistance(RA) Rental		AR	01/01/13	558	491	425	425	288	137	66	203	0
14	474s1	1	1	McDonald, Jeannette	Assistance(RA) Rental		AR-1	04/01/13	558	491	425	425	255	170	66	236	0
15	474s1	0	1	Rollins, Julia	Assistance(RA) Rental		AR	05/01/13	558	491	425	425	163	262	66	328	0
16	474s1	0	1	Childs, Carrie	Assistance(RA) Rental		AR	08/01/13	558	491	425	425	199	226	66	292	0
17	474s1	0	1	Druce, Gloria	Assistance(RA) Rental		MI-1	01/24/13	558	491	425	425	215	210	66	276	0
18	474s1	0	1	Ponto, Deborah	Assistance(RA) Rental		MI	11/20/12	558	491	425	425	286	139	66	205	0
19	474s1	0	1	Myricks, Vearnt	Assistance(RA) Rental		AR	04/01/13	558	491	425	425	257	168	66	234	0
20	474s1	0	1	Reeves, Billy	Assistance(RA) Rental		AR	12/01/12	558	491	425	425	158	267	66	333	0
21	474s1	0	1	Martin, Patricia	Assistance(RA) Rental		AR	04/01/13	558	491	425	425	280	145	66	211	0
22	474s1	0	1	Finch, Deborah	Assistance(RA) Rental		MI	08/07/12	558	491	425	425	271	154	66	220	0
23	474s1	0	1	Prather, Shirley	Assistance(RA) Rental		AR-1	10/01/12	558	491	425	425	255	170	66	236	0
24	474s1	0	1	Burdick, Robin	Assistance(RA) Rental		AR	04/01/13	558	491	425	425	232	193	66	259	0
25	474s1	0	1	Hightower, Jokodi	Assistance(RA) Rental		AR-1	02/01/13	558	491	425	425	300	125	66	191	0

Affordable Rent Roll

Property: Pepperton Villas (474) Sort by: Unit

As of 8/1/2013

Unit	Unit Type	Sqft	Bed Rms	Tenant	Program	Contract No.	Tran Type	Effective Date	Market Rent	Gross Rent	Contract Rent	RD Basic Rent	Subsidy	Tenant Rent	Utility Allowance	TTP	Utility Reimb.
Pepperton Villas (474)																	
26	474s1	0	1	Gates, Mary	Rental Assistance(RA)		AR	04/01/13	558	491	425	425	134	291	66	357	0
27	474s1	0	1	Reeves, Carol	Rental Assistance(RA)		AR	10/01/12	558	491	425	425	292	133	66	199	0
28	474s1	0	1	Brooks, Betsi	Rental Assistance(RA)		MI	03/07/13	558	491	425	425	312	113	66	179	0
29	474s1	0	1	Myricks, Kimberly	Rental Assistance(RA)		AR	05/01/13	558	491	425	425	282	143	66	209	0
30	474s1	0	1	Miller, Mildred	Rental Assistance(RA)		AR	11/01/12	558	491	425	425	291	134	66	200	0
Total :		2	30	Number of Units:	29				16,182	13,748	12,280	11900	6,710	5,190	1,914	7,038	0
Grand Total :		<u>2</u>	<u>30</u>	Total Units:	<u>29</u>				<u>16,182</u>	<u>13,748</u>	<u>12,280</u>		<u>6,710</u>	<u>5,190</u>	<u>1,914</u>	<u>7,038</u>	<u>0</u>